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FINANCIAL TIMES

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Wednesday October 12 1977

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NEWS SUMMARY

GENERAL

Iran to charge Tate men

Two senior executives of Tate and Lyle are to be charged in their absence with forgery and dishonesty, according to Iran's public prosecutor during the trial in Tehran of two former Deputy Commerce Ministers.

Bhutto accused

Mr. Z. A. Bhutto, former Prime Minister of Pakistan, pleaded not guilty when accused of murder at Lahore High Court. Four security force members were also charged in connection with the killing nearly three years ago of the father of a political opponent of Mr. Bhutto during a machine-gun attack on a car.

Mott shares prize

Sir Nevill Mott, 72, Emeritus Professor at Cambridge, shares the Nobel Prize for Physics with two Americans, Prof. John van Vleck and Dr. Philip Anderson. The Chemistry prize goes to Prof. Ilya Prigogine of Belgium.

IRA man's claim

Martin Joseph O'Connell, serving a life sentence for his part in the 1975 IRA bombings in London, told an appeal judge at the Old Bailey that the four people convicted of the Guildford and Woolwich pub bombings were innocent. He claimed that he and two others made the Guildford bomb.

President killed

North Yemen's president Ibrahim Al-Hamdi and his brother, Lieut. Col. Abdullah Al-Hamdi, have been assassinated, the country's radio said. The ruling military command council, which took power in a bloodless coup in 1974, pledged revenge on the murderers and decreed a 40-day period of mourning.

Loop line hit

Comments on British Rail's Dartford Kent loop line faced long delays after a coal train was derailed and hit by a cement train at Mottingham Station. A guard had to be cut from his shattered cab by firemen. The line is expected to be blocked until Thursday morning.

Fiat man hurt

Sgt. Rinaldo Camagliani, Fiat's executive in charge of industrial relations, was shot in the legs and seriously wounded as he left his Turin home. The Red Brigades, an extreme Left-wing group, claimed responsibility.

Bishop chosen

Dr. Hugh Montefiore, Suffragan Bishop of Kingston, will take over as Bishop of Birmingham on November 1. He has been criticised in the city for his environmentalist views and his comment that Concorde was "technology gone mad".

Briefly...

Mr. Denis Healey has found a buyer for Windlesham Lodge, Wiltshire, East Sussex, which was advertised at over £40,000. It is the second property he has sold in the past few months.

Lifts will be out of action at three council tower-blocks, mainly rented by old people, in Eltham, London, because of an engineers' work-to-rule over a 150 per cent claim.

The two Soyuz 25 cosmonauts returned safely to earth after falling to link up with the Soyuz-6 orbiting space station.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. Variable 81	198.4	+	4
Transp. Spc 78-88	£70	+	4
War Loan 3 1/2p	110.5	+	1 1/2
War Loan 5 1/2p	136.1	+	1 1/2
Alphatec Inds.	288	+	6
Alphatec Lond. Prop.	204	+	6
BSR	118	+	5
Estates Prop. Inv.	72	+	5
Fisons	383	+	13
Huotung Orb.	270	+	45
Lafarge Inds.	190	+	10
Lee Cooper	137	+	7
Lyles (S)	74	+	6
Metal Box	348	+	6
Pegler-Hattersley	203	+	6
RFD Group	71	+	8
R.I. Electronics	232	+	10
Sleight	66	+	3
Smiths Inds.	178	+	3

FALLS

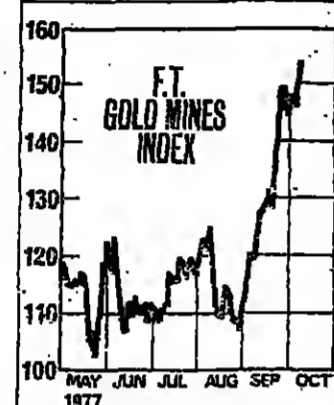
Asse. Biscuits	78	-	6
Glaxo	590	-	5
United Biscuits	188	-	12
Wetters Bros	43	-	13
BP (Perily-paid)	373	-	5

BUSINESS

Gilts up 0.7; equities progress

GILTS rallied and closed at the day's best with gains extending to 14. The FT Government Securities Index closed 0.7 higher at 77.52.

EQUITIES hardened and the FT 30-Share Index closed 2.7 higher at 511.8. The Gold Mines



index rose 1.9 to 154.1—its best level since June 25, 1976—for a two-day gain of 7.5.

GOLD lost 25 cents and closed at \$1564-1571.

STERLING lost 11 points on the day to close at \$1.7592. Its trade-weighted index was unchanged at 62.4. The dollar's trade-weighted depreciation narrowed to 1.11 from 1.31.

CANADIAN dollar has fallen to its lowest level against the U.S. dollar in 10 years and is now worth less than 92 cents.

WALL STREET was hit by interest rate worries and the Dow Jones Index closed 7.38 lower at 832.33.

ENEL's \$100m. issue has been postponed because of the continuing fall in Eurodollar bond prices.

SHARES in South Crofty, the Cornish tin mine, had a 17 per cent rise over their offer price of 50p at the start of dealings yesterday.

BRITISH Steel's Corby plant has been closed because of a strike by workers at British Oxygen's gases division and steel output in Wales has also been affected.

EUROPEAN steelmakers offer to restrain sales to the U.S. on a voluntary basis has been opposed by the EEC Commission and by American steel companies.

DU PONT is to spend £29m. on re-equipping its Neoprene rubber plant near Londonderry.

LEYLAND Cars has started a campaign to win support among its manual workforce for plans to reform industrial relations.

LEGAL & General has formed a subsidiary, Legal & General Unit Assurance, in an effort to become a dominant force in the unit-linked assurance market.

BOWTHORPE Holdings has forecast record full-year profits after pre-tax profit in the half-year to June 30, rose £20,000 to £3.01m.

RHONE-POULENC, chemical and textile group, gross operating profit during first half of this year Frs.1.5bn. (Frs.1.2bn.).

Receiver called in at Fairey group after Belgian losses

BY MARGARET REID

A Receiver was called in yesterday to the Fairey aviation and engineering group. It has been struggling for three months to find a solution to a crisis caused by losses at its Belgian subsidiary, which has a key role in producing Islander light aircraft.

The move followed the failure to reach an agreement with the Belgian Government on a £15m. £16m. deal under which the State-owned Short Brothers and Harland aircraft group in Belfast would have bought Fairey's fifteen-Norman business in Britain and Belgium.

The Receiver is Sir Charles Hardie, the chartered accountant, who has special knowledge of the aviation industry as a former chairman of British Overseas Airways Corporation. Last night Sir Charles was joined by the Receiver's solicitor, Mr. Dixon Wilson, who was working on finding buyers for parts of the Fairey group, whose U.K. companies, employing some 4,000, are generally profitable.

The Government has been kept in close touch with the recent negotiations, and the Department of Industry is ready to consider providing special financial help under the Industry Act 1975 to save jobs by assisting potential purchasers of Fairey companies.

Fairey's troubles first emerged to surprise the City in July, when the group revised an unexpected £3.6m. drop in the past year's profits to £1.3m. a setback which proved large due to the significant contribution to the cost of research and development work, which is high. Shareholders had to be asked to approve an excess over borrowing limits.

In August it was disclosed that a solution was being sought through ailing of the British-Norman business, a move which it was hoped would cut out the main loss sector and generate funds to repay substantial borrowings. Short Brothers and Harland was clearly the chief potential buyer, though Romania, which applies about a third of British-Norman's airframes (the rest are produced in Belgium) was, and is thought still to be, a possible interested purchaser.

Background, Page 10
Lex Beck, Page 6

It appears that negotiations for Short Brothers and Harland to buy the British-Norman business, which also employs 300 in the Isle of Wight, broke down because Sir Charles Hardie would have had to put into Belgium to round off its interest there beyond what it would, or could, pay.

It is believed that the bulk of the £15m. £16m. prospect, as the price for Short Brothers would have had to be committed in this way.

Mr. Robert Holder, Fairey's chairman, said last night: "We were prepared to make a significant contribution to the cost of research and development work, which is high. Shareholders had to be asked to approve an excess over borrowing limits."

The calling in of the Receiver by Fairey's principal bankers, through the National Westminster Bank, appears to have been caused by the fact that the Belgian branch of an international bank called the parent company's guarantee of a £2m. loan it had outstanding to Fairey's Belgian company.

Altogether, Fairey had guaranteed loans of £15m. raised by the Belgian subsidiary, as well as having advanced £2m. to it.

Fairey's directors stated yesterday that, following legal advice, they had had no alternative but to ask their main bankers to appoint a Receiver to the parent company. A Receiver is also being appointed to British-Norman (Bembridge), Isle of Wight, because of its close contractual ties with the Belgian subsidiary.

But it is clear that the Board took the course it did yesterday with the knowledge that it would ensure that the profitable Fairey companies in Britain were protected from major repercussions from the Belgian troubles.

Soma parties, who were being seen last night between the Fairey situation and the collapse of the old Rolls-Royce group in 1974, when acute problems in one sector of the business led to calling in of a Receiver. In both cases a large area of the business could have destroyed the rest, a

Continued on Back Page

Tories will seek to modify closed shop, says Prior

BY RICHARD EVANS, IN BLACKPOOL

THE CONSERVATIVE Party yesterday put a pre-election formula to the test by proposing to modify its stance on the closed shop.

In a skilful speech, Mr. James Prior, Shadow Employment Secretary, managed to disarm most of his party critics without altering in any significant way the Shadow Cabinet's conciliatory attitude to the unions and to the closed shop.

Opposition leaders, worried at the damage an open split would do to the party's electoral prospects, were delighted at the success of the operation.

They now believe that the party will be able to enter the next election campaign with a viable policy towards the unions.

Mr. Prior, who has faced fierce criticism from the Right wing for his attempts to build bridges with union leaders after the Tories' electoral defeat at the hands of the miners in 1974, confirmed that the Conservatives were totally opposed to the closed shop in principle, but rather than outlaw it, would seek to modify its most unpopular effects.

Deep unease about the closed shop was apparent throughout the constructive and reasoned debate. But what party leaders believe Mr. Prior has done is to pull the party into centrist ground in the run-up to the next election.

Mr. Prior also promised to take further advice on whether the burden of paying compensation to a victim of the closed shop, now on the employer, should be changed.

Two other announcements of

importance in Mr. Prior's speech were:

A demand that the Press Charter now being prepared by the Employment Department must contain a journalist's absolute right not to belong to a trade union. The Conservatives will not approve a charter in any other form.

A pledge that under the next Conservative Government there would be no closed shop, despite the negotiations now under way.

Moderate policy

The significance of the debate was underlined by Mr. Prior when he admitted it went right to the heart of the party's major political problem—now, after the miners' strike of 1974, would the Tories get on with the unions?

His theme was that the present moderate policy—which was stressed was that of the whole Shadow Cabinet, including Mrs. Thatcher and Sir Keith Joseph, would ensure a reasonable relationship with the unions, one which the outcome of the next election could depend.

In an earlier debate on industrial and free enterprise, Sir Keith Joseph, the party's policy co-ordinator, launched an outspoken attack on the unions, over restrictive practices and over-manning.

He acknowledged that the unions were a "necessary part" of a free enterprise system but went on to castigate union leaders who "blocked" attempts

to improve industrial productivity.

Sir Keith's main proposal was "the intelligent use of voluntary wage restraint" of manpower through retirement and resignation so that industry could become more productive.

Christian Tyler writes: One TUC observer of the debate was Mr. Ken Hill, Communist general secretary of the staff section (TASS) of the Engineering Union and a member of the TUC General Council. He said afterwards that the result had not disguised the fact the Conservatives were "red in tooth and claw" in their hatred of trade unionism.

From the trade unionist caucus in the party, the debate was seen as a resounding success. Mr. John Bowis, national organiser of the Conservative trade unionist action, said that it has appointed five regional officers and was about to appoint a deputy national organiser.

John Elliott writes: Many of the calls for action he has taken since the Right-wing Likud Party took power, Mr. Dayan spent two hours reporting on his U.S. talks. After

the Conservative's new economic and industrial policy document "The Right Approach to the Economy", and are not anxious to see Conservative Government sour its relations with the trade unions by rushing into new closed shop legislation.

Conference report, Page 12.
Men and Matters, Page 22.

Money supply rises sharply

BY MICHAEL BLANDEN

THE GROWTH of the money supply accelerated sharply last month, mainly as a result of the continued large inflows of funds from abroad.

This is clearly indicated by the latest figures, for mid-September, published by the Bank of England and the London clearing banks. They underline the danger that the inflow will make it increasingly difficult for the Government to keep the growth of sterling money supply within the 9.13 per cent target range this year. This is the level which is consistent with the domestic credit expansion ceiling agreed with the IMF.

Borrowing by central Government in the first half of the year was running at well under half the level forecast in the Budget, confirming hopes there will be sufficient scope for tax cuts within the next few weeks.

Background, Page 10
Lex Beck, Page 6

The main pointer is again given by the figure of eligible liabilities for the banking system as a whole. These rose by £1.1bn. to £28.5bn. over the five-week period to September 21.

This was nearly double the £100m. increase in the previous month, and represented a rise of nearly 3 per cent. The eligible liabilities are the main deposit funds of the banks, and a major constituent of the money supply on the wider definition (M3).

The main response of the authorities to the pressure so far, with the inflows again rising to a substantial level this month, has been to allow a further drop in interest rates. The Bank's minimum lending rate is expected to come down again on Friday unless the authorities intervene actively to prevent a fall.

Rates in the money market are already at levels which would clearly indicate a drop in MLR from 6 1/2 to 5 1/2 per cent. The market feels that by the end of the week a cut of 1 per cent is

Continued on Back Page
Editorial comment, Page 22

Israel agrees to U.S. plan on peace talks

BY DAVID LINNICH

TEL AVIV, Oct. 11

THE ISRAELI Cabinet this evening accepted the U.S. Israel working paper on the conditions for reconvening the Geneva peace conference as agreed between President and Mr. Moshe Dayan, the Israeli Foreign Minister, following a five-hour meeting.

No conditions were attached to this acceptance, though it had been expected that Israel would insist that there be no debate at Geneva on a Palestinian State nor any role, however indirect, for the Palestinian Liberation Organisation.

The unqualified statement is interpreted here as an indication of the intense pressure which the U.S. is applying to Israel to bring it to the Geneva peace talks.

Argued

Some members of the Cabinet were known to have strong reservations about the working paper, especially on its vagueness on the Palestinian issue.

Mr. Shmuel Kaizer, the informal adviser to the Israeli Prime Minister, argued that the paper was unacceptable because it did not specifically refer to the creation of a Palestinian State on the West Bank and Gaza Strip, and did not bar a role for the PLO, even indirectly, at the Geneva conference.

Because of this, some Ministers had hoped to qualify Israel's acceptance by adding a rejection of the Palestinian State and the PLO in writing.

It is believed here that the absence of any qualification indicates a reluctant reliance on the U.S. to honour its verbal assurances that the PLO will not be present at Geneva. This follows strong U.S. warnings to Israel not to try to weaken the working paper by expressing any reservations.

During the longest Cabinet debate since the Right-wing Likud Party took power, Mr. Dayan spent two hours reporting on his U.S. talks. After



Mr. Dayan: two-hour report.

this the Government spent a further three hours arguing the issue before finally accepting the U.S. terms.

Despite emerging wretched smiles, Mr. Menahem Begin, the Prime Minister, who left hospital to-day after 10 days of rest, and treatment for a heart ailment, appeared to have had a tough battle to persuade his Ministers that they had no choice but to go along with the U.S. demand.

During the meeting, the Government's legal advisers were called in to stress the fact that a Geneva peace conference reconvened on the basis of UN resolution 242 constitutionally excluded the PLO from any role.

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October 11th

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1 month: £2.25-2.50; \$2.50-3.00
3 months: £2.50-3.00; \$3.00-3.50
12 months: £3.00-3.50; \$3.50-4.00

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John, in Lito

LOMBARD

Time to plug the fame drain

BY ARTHUR SANDLES

CITY CENTRE decay is rapidly becoming a fashionable peg upon which to hang your political hat. It has been with us for a very long time but recently those with their fingers on the voting pulse sense alarm across a much greater range of public opinion than was the case a few years ago.

International

Unfortunately there are signs that urban decay can be repeated on a very much larger level, that is on an international basis. What is happening to the centre of London and what has happened to the centres of New York and St. Louis can quite easily happen to a nation.

What is now termed the fame drain is a colourful add-on to the old British brain drain, which proceeds apace. There would seem to be very little difference between the drainage involved and the loss of middle-to-high income residents by the major cities of the world.

For cities the end is normally the death of the central area. There is clear evidence of this in some of Britain's northern conurbations and more spectacularly in many American centres of population. One of the most recent deaths has been Detroit, where life is concentrated in the more desirable suburbs and where middle class residents, shopping facilities and hotels have largely disappeared, leaving a central area which is deserted once darkness falls apart that is from the bright lights of the new built Renaissance Centre, a monument to attempted rebirth, not revitalisation.

Sometimes it has proved impossible to stem the outflow of residents, or to tempt them back to any redevelopment. Then cities turn—as do nations—to outside investment. Office blocks provide the architecture and the revenue that once came from residential housing.

It is arguable that allowing commercial pressures to take their course, and allowing city

centre to die as cities have done throughout history, is no bad thing. After all a dying city might be emotionally disturbing, but it is being replaced by thriving suburban communities there a surfeit for allowing the drift translated to a national scale, however, the consequences of a long term residential revenue drain are more serious. It may be no comfort to Britain to know that Seattle or Sydney are gracing while the lights dim in Piccadilly and Paddington.

Cities can, of course, change their tax systems or gain assistance from within their own national structure. German cities, for example, apart from being largely rebuilt in the post-war years, benefit from a different system of finance. U.S. cities often tax their workers as well as their residents. A nation, however, finds difficulties in taxing the nationals of neighbouring countries and must look elsewhere for answers.

Somewhat choose a system that is of available to the cities. They simply lock the gates and keep that labour which might be tempted by the greener pastures of the Mediterranean or the Pacific coast of North America firmly at home.

The anger for both city or nation comes when the benefits for the middle prosperous or remaining—that mysterious thing the quality of life—no longer outweigh the monetary disadvantages. Although the late sixties and early seventies were the boom time, there are still to-day those who regard the price of living in London as well worth paying. The same applies to Paris and New York. It is when the price falls below the high, or when California offers a quality as well as style of life, that the difficulties arise.

Sportsmen

Clearly for many of our more mobile residents, that point has been reached. The doctors, engineers and research workers who were tempted away in the past are now being joined by the writers, entertainers and sportsmen, for whom a home-base is largely unimportant as far as attracting further work is concerned. It is argued that many of these figures are no great loss to the nation's culture bank, but in cash terms every £1m. lost is £1m. that the rest of us left behind have to find.

Much of central London is now inhabited by the poor, the itinerant and the diplomatic. The nation does not have that option.

TV/Radio

- BBC 1
6.40-7.55 a.m. Open University
7.15 Secret Army, 10.30 News, 1.00 Pebble-Mill, 1.40s The Plumps, 2.01 For Schools, Colleges, 3.25 Volunteers, 3.55 Regional News for England (except London), 4.55 Play School (as BBC-2 11.00 a.m.), 4.50 Felix the Cat, 4.55 Jackanory, 4.40 The Pink Panther, 5.00 John Craven's Newsround, 5.05 The Peppermint Pig, 5.35 Noah and Nelly in Skylark.

F.T. CROSSWORD PUZZLE No. 3,490

Crossword puzzle grid with numbers 1-31 and letters A-Z.

- ACROSS
1 A char is supposed to have a quarril (4, 3)
4 Prohibit pug accepting one-third-class savage (8)
10 Refuse to dress on time (7)
11 Fall of farmer (7)
12 Humbug in oed (4)
13 Author introduces king to girl (6, 5)
15 Month after daughter is put out (8)
16 Baseball player sent to jug (7)
20 Used a very quiet direction and told a story (7)
21 Dor presenting you with problem (6)
24 Stress of being not more than nineteen (10)
26 Catches recoil of gun (4)
28 Heavyweight convinced by hair-style (7)
29 Recent hair-do causes stroke of Lords (4, 3)
30 Just make an appointment at the same time (4, 4)
31 Thin boxes take the paint (8)

RACING BY DOMINIC WIGAN

Powderhall promising prospect on the flat to-day

FOR THE many followers of National Hunt racing this Saturday's programme at Kempton Park offers an attractive alternative to the major flat meeting at Newmarket.

- FOLKESTONE
1.45 Miss Kang Fu
2.15 No Silver
2.45 Mr. Fordelet
3.15 Royal Lad
3.45 Slida
HAYDOCK
2.30 Powderhall**
3.00 Crever*
3.30 Gray Lass
4.30 Bay Twentys**
WETTERBY
3.45 Wynlan Boy

Saleroom BY PAMELA JUDGE

Welsh porcelain—for £22,320
A COLLECTION of fine Welsh porcelain and another of pharmacy wares were the two main features in Sothby's sales of English pottery and porcelain in London yesterday.

EMI reshuffle nears completion

BY ARTHUR SANDLES
EMI's GRADUAL film-making management reshuffle in the wake of its takeover of British Lion appears to be nearing completion. Last night it was disclosed that Mr. Michael Deeley and Mr. Barry Spinks, the two men who headed British Lion, are to be chief executives of EMI Films Inc. and EMI Films Ltd., respectively—the Los Angeles and London arms of EMI's film activities.

GARDENERS TO-DAY

Fruits and flowers of an absent summer

BY ROBIN LANE FOX

GARDENERS who do not know what they want and then expect somebody else to tell them are not unfamiliar to this column. But there are just as many who know what they want and cannot find it in their local nursery.

Pleasing plant

Reuthes of Fox Hill Nurseries, Weston, Kent, is a valuable source of rare rhododendrons for Home Counties growers, but in London this nursery is showing Paeonia Graevia. Named the Pomgranate, it flowers and fruit together.

Annuals

If I had a London garden and wanted to make the most of it myself, I would join the RHS for a year and try to be out of my office for two hours every month in order to see a year's range of plants and pick up the nurseries' catalogues.

APPOINTMENTS

J. H. Macdonald to join Shell Int. Petroleum main Board

Mr. J. H. Macdonald, group treasurer, has been appointed a director of SHELL INTERNATIONAL PETROLEUM COMPANY from October 17.

RADIO 1

- 6.30 a.m. News and Weather
6.45 a.m. News and Weather
7.00 a.m. News and Weather
7.15 a.m. News and Weather
7.30 a.m. News and Weather
7.45 a.m. News and Weather
8.00 a.m. News and Weather
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11.15 a.m. News and Weather
11.30 a.m. News and Weather
11.45 a.m. News and Weather
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EUROPEAN NEWS

Economy, EEC on agenda for Barre visit to Bonn

BY JONATHAN CARR

M. RAYMOND Barre, the French Prime Minister, will visit Bonn on Thursday and Friday of next week for talks with Chancellor Helmut Schmidt...

drawn by the Press and Intellectuals in France. M. Barre's visit was agreed in principle by Herr Schmidt and H. Giscard as long ago as July...

latest publicly suggested date from the German side—about the end of November—remains in doubt. Last February, Bonn and Paris agreed to present proposals for closer economic and monetary cooperation to their partners in the EEC by the end of the year...

WEST GERMAN BUSINESS Britain back in favour

BY JONATHAN CARR IN BONN

A HIGH-RANKING West German business delegation arrives in London today. Not long ago, such an occasion would have provoked some cynical comment in Germany...

undermined business confidence. One high Government official said privately he feared the Schöleyer affair might have virtually obliterated the effect of the recent State measures to try to stimulate the economy...

Energy use 'to remain steady'

ESSEN, Oct. 11. CONSUMPTION of primary energy in West Germany is expected to remain about steady in 1977 compared with 1976, according to figures released by the West German Hard Coal Mining Association...

Plea for life of Schleyer

LEADING WEST GERMAN industrialists today held two hours of talks with Chancellor Helmut Schmidt and urged that the Government do all in its power to save the life of Dr. Hans-Martin Schleyer...

Dr. Schleyer was kidnapped more than five weeks ago and threatened with death unless the Government released 11 jailed terrorists and had them flown abroad.

Investment requires confidence in the future, hard to generate when those taking the decisions fear for their lives because of terrorism.

It would be wrong to suggest that the Germans believe a British economic miracle is about to occur because of North Sea oil. But it has firmly sunk into German minds that the oil exists and is coming on stream...

Receptive

It has also been recognised here that the British balance of payments will at last improve—and that this may not only have a psychological impact inside Britain but will alter the way Britaid is viewed from outside...

Balance

The German Government and the trade unions naturally feel the managers protest too much. And the businessmen in other European countries no doubt feel that their plight is just as bad...

Warning on management, union relations

THE NEW West German Economics Minister, Count Otto Lambsdorff, strongly warned today against taking for granted the social partnership between management and trade unions...

NOTICE OF REDEMPTION To the Holders of ENTE NAZIONALE IDROCARBURI E.N.I. (National Hydrocarbons Authority)

6 3/4% Sinking Fund Debentures due November 1, 1988. NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on November 1, 1977 at the principal amount thereof \$290,000 principal amount of said Debentures bearing the following serial numbers:

Table with columns for serial numbers and amounts, listing various debenture identifiers.

On November 1, 1977, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment thereof of public and private debts, at the option of the holder...

Table with columns for serial numbers and amounts, listing various debenture identifiers.

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MAS logo and text: Fly with a Touch of Gold mas malaysian airline system. London Frankfurt Kuwait Kuala Lumpur Melbourne Sydney

Vertical advertisement on the right edge of the page, partially cut off, mentioning 'Breath to visit' and 'EARN ABOUT THE CITY'.

Brezhnev likely to visit U.K.

BY DAVID LASCELLES

MOSCOW, Oct. 12.

MR. LEONID BREZHNEV, the Soviet President, is now clearly intending to visit Britain in the near future, following two days of talks between Dr. David Owen, the British Foreign Secretary, and Soviet leaders, described by the British side as surprisingly successful.

A statement by Tass, the official Soviet news agency, said that discussions will now take place about fixing a suitable date for a visit by Mr. Brezhnev.

Following last night's Kremlin ceremony, attended by the entire top Soviet leadership, Dr. Owen held a second round of talks with Mr. Andrei Gromyko, his Soviet counterpart, in which the British tried to win more positive Soviet support for their Rhodesia initiative.

Dr. Owen told a Press conference before his departure for London that he thought the Russians have misgivings about our initiative but are prepared to give us the benefit of the doubt.

The British Foreign Secretary also sought elucidation of the Soviet position on the Horn of Africa. There was a feeling that both sides had their problems in Africa, and should be mutually sympathetic.

Dr. Owen also called today on Mr. Vladimir Kirilkin, the chairman of the State Committee for Science and Technology, and Russian co-chairman of the Anglo-Soviet Joint Commission.

He stressed that Britain was keen to export more to the Soviet Union to balance out its huge deficit in trade with that country. Dr. Owen told the Press conference that several large contracts were under negotiation, or on the point of being signed, but he would not say what they were. He also promised to look for Soviet complaints about delays in granting British visas to Soviet businessmen.

On East-West relations, Dr. Owen surprised the Press conference by saying that he had not made an exceptional issue of human rights but treated it as just a part of the détente process. Nor, it is understood, did he raise individual cases, privately with Mr. Gromyko as it had been suggested he might. It was felt this was better handled at a lower level.

Although little concrete substance has emerged from Dr. Owen's meetings here, the Russians have given Dr. Owen an impressive welcome, and have obviously been keen for an exchange of views at the highest level. According to the official communiqué published here tonight, the atmosphere of Dr. Owen's visit was businesslike and friendly, and it produced a "constructive discussion" on bilateral relations and world problems in general.

Callaghan EEC view defended by Silkin

By Robin Reeves

LUXEMBOURG, Oct. 11.

MR. JOHN SILKIN, the U.K. Minister of Agriculture, hit back here today at Common Market criticism of the recent letter from Mr. James Callaghan, the British Premier, setting out the Government's long-term EEC strategy.

During a break in the proceedings of an EEC Council of Agriculture Ministers meeting, Mr. Silkin told journalists: "As far as the U.K. is concerned, federation never was our idea of the future of the Community."

In his controversial letter to Mr. Ren Hayward, General Secretary of the Labour Party, Mr. Callaghan explained that the Government's EEC policy would be guided by need to uphold the sovereignty of government, to pursue their own industrial, economic and regional policies, and reform the Common Agricultural Policy.

At the same time he emphasised that the enlargement of the Community to include Spain, Greece and Portugal would reduce the danger that it would become over-centralised.

Mr. Silkin expressed some surprise at criticisms of the letter. "Nobody should have been in any doubt as to the position of the U.K. or the experience of the past year."

SPANISH ANTI-TERRORIST MOVE

Cabinet finalises new Bill

BY DIANA SMITH

MADRID, Oct. 11.

THE SPANISH Cabinet is putting the finishing touches to an anti-terrorist Bill which will be discussed on Thursday with parliamentary opposition leaders.

Following the assassination on Saturday of the Governor of the Basque province of Vizcaya, for which the military wing of the Basque separatist organisation ETA claimed responsibility, both Government and opposition have agreed on the urgent need for new measures to deal with terrorism.

The Cabinet draft, leaked to the news agency Europa Press this afternoon, was apparently prepared some weeks ago. In his introduction, it states that Spain is following the course set by other countries in introducing special legislation to deal with terrorists.

One of the main sections of the eight-page draft urges a "clear definition of terrorist acts and of associations set up for this purpose, with intent to put such acts into practice."

The draft calls for the creation of a police unit with special powers (subject to appropriate legal control). These powers would permit the imposition of prolonged preventive detention, dispensing with search warrants and authority to keep prisoners sentenced for terrorism (or defined as terrorism) incommunicado.

The draft also suggests granting the special police force permission to tap telephones and open the correspondence of persons suspected of terrorism. It also suggests a "ban on media interference in the authorities' anti-terrorist activities" possibly including suppression of news about these activities.

Finally, the draft suggests that people who are involved in terrorism and who "co-operate effectively with the authorities in the detection and identification of terrorist organisations, and naming of their members" will receive reduced sentences or acquittal.

Thursday's discussion of the anti-terrorist proposals is stage two of the new Government's Opposition efforts to "work in close co-operation on important measures."

Briton shares Nobel Prize for physics

BY WILLIAM DUFFORCE

STOCKHOLM, Oct. 11.

THE 1977 NOBEL prize for physics has been awarded jointly to Sir Nevill Martin Martin, a British physicist, and two Americans, Prof. John H. van Vleet, of Harvard University, and Dr. Philip W. Anderson, of the Bell Telephone Laboratories, for their investigations into the electronic structure of magnetic and disordered systems.

Sir Nevill refined the so-called band theory, which describes the electrical properties of crystals, but which is not universally valid to take into account the electron-electron interaction in disordered systems.

The chemistry prize goes to a Belgian, Prof. Ilya Prigogine, for his contributions to non-equilibrium thermodynamics and, in particular, to the theory of dissipative structures. Each prize, announced today by the Royal Swedish Academy of Sciences, is worth Kr. 900,000 (\$22,350).

Sir Nevill, 72, the Cavendish emeritus professor at Cambridge University, shares the Physics Prize for his work on the electronic processes which take place in non-crystalline (amorphous) materials. Working independently, he and Dr. Anderson have created a multitude of new concepts which have turned out to be central for the understanding of disordered materials.

"Disordered materials" are glass-like substances in which the atoms form no regular crystal lattices. It is extremely difficult to explain such materials theoretically.

In 1958, Dr. Anderson showed under what conditions an electron in a disordered system could either move through the system as a whole, or be more or less tied to a specific position as a localised electron. His paper became one of the cornerstones in understanding, among other things, electrical conductivity in disordered systems.

Sir Nevill refined the so-called band theory, which describes the electrical properties of crystals, but which is not universally valid to take into account the electron-electron interaction in disordered systems.

This in turn led him to study the so-called Mott transitions, by which certain metals can become insulators. Prof. van Vleet has been called "the father of modern magnetism" for developing methods which make it possible to understand how a foreign ion or atom behaves in a crystal.

The work of all three physics prize-winners is described as having gone "for beyond conventional theories with direct importance for experimental work and technology."

Prof. Prigogine, 60, won the chemistry prize for successfully extending thermodynamic theory to systems which do not exist in thermodynamic equilibrium. He has shown that a new form of ordered structures, to which he has given the name "dissipative structures," can exist under conditions which are far from such equilibrium.

Public spending to be cut 10%

BY OUR OWN CORRESPONDENT

MADRID, Oct. 11.

THE SPANISH Government is information on all state activities. In the past, information on state budget forecast was the only 40 per cent of these activities has been available.

It added that there will now be strict supervision of state spending, and that a commission proposed at the week-end by the Government and accepted by parliamentary opposition parties, is now being studied by the trade unions.

Small capitalist and extreme left unions have already rejected the wage ceiling. This indicates that strikes, often instigated by them, which hit Spanish industry in Spring and Summer are likely to continue.

After that, their wages, and those of employees of state-owned companies, will be frozen for a year.

The 22 per cent wage ceiling, proposed at the week-end by the Government and accepted by parliamentary opposition parties, is now being studied by the trade unions.

Small capitalist and extreme left unions have already rejected the wage ceiling. This indicates that strikes, often instigated by them, which hit Spanish industry in Spring and Summer are likely to continue.

Tito's wife will miss French trip

BELGRADE, Oct. 11.

A YUGOSLAV Foreign Ministry spokesman today denied rumours that President Tito's wife is ill but would not explain why she has not been seen in public since June.

The denial of the spreading stories that Mrs. Jovanka Broz was under medical treatment appeared to support reports that she is under a political cloud.

The spokesman confirmed that Mrs. Broz would accompany the President on his trip to France and Portugal beginning Wednesday.

Greek Cabinet changes pave way for poll

By Our Own Correspondent

ATHENS, Oct. 11.

THREE CABINET ministers are to be replaced as part of Government measures announced today to enable constitutional elections on November 20.

A Ministry of Press statement said the Ministers of the Interior, Justice and Northern Greece will be replaced by personalities not involved in politics. The move will take place on October 20 when the present parliament will be dissolved and the pre-electoral period will officially begin.

On the same day, all 21 under-secretaries of State will be asked to resign and their duties will be taken over by their respective ministers.

The civil guard in the countryside, except for the border area with Turkey and the Aegean Islands, will be disbanded 30 days before the elections.

An inter-party committee will be formed to deal with matters arising during the electoral campaign, and with the alignment of time on the country's State-controlled radio and television.

Human rights call by Baudouin in Poland

By Christopher Bobinski

WARSAW, Oct. 11.

KING BAUDOUIN of Belgium, in Poland on a four-day official visit, told a dinner in his honour last night that "respect for human rights is an important element of peace."

The King's audience included Party Leader Edward Gierek and Polish Premier Piotr Jaroszewicz.

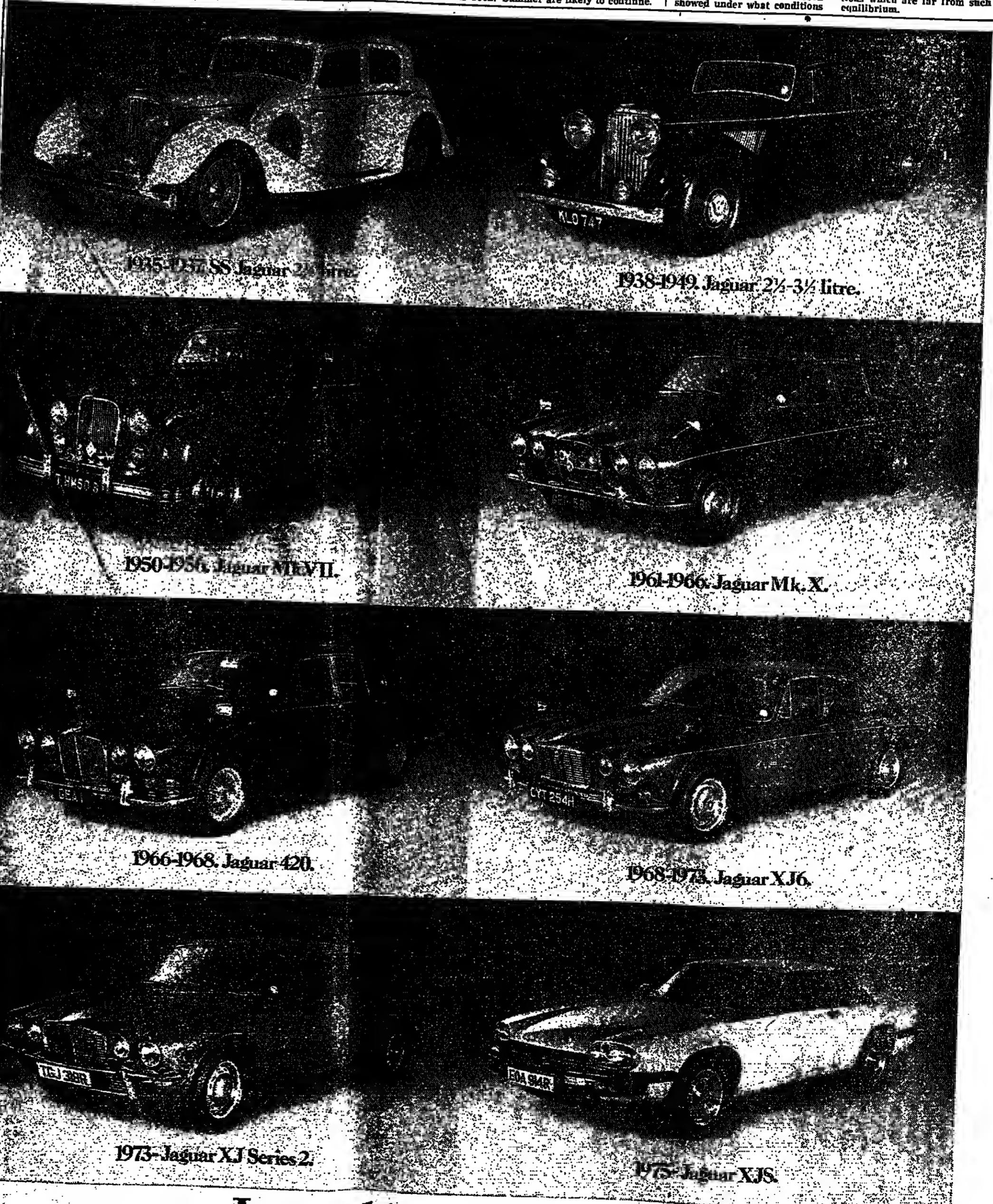
Portugal cabinet unrest reported

LISBON, Oct. 11.

THE PORTUGUESE Prime Minister, Sr. Marin Soares, held an emergency cabinet meeting today as the Press here reported that several of his ministers were preparing to resign.

The reports were prompted by unexpected resignation yesterday of the Foreign Minister, Sr. Jose Medeiros Ferreira, who has given no reason for quitting. But politicians said that it stemmed from his foreign policy proposals being frequently over-ruled by Sr. Soares. Among these decisions was that of Sr. Soares to extend diplomatic relations to Israel, which Sr. Ferreira opposed.

Sr. Soares has been talking with the conservative Centre Democrats and Social Democrats about forming an informal coalition, thus causing speculation about a cabinet reshuffle.



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OVERSEAS NEWS

Kaunda plan to cut copper reliance

BY OUR FOREIGN STAFF

PRESIDENT KENNETH Kaunda of Zambia urged the National Assembly yesterday to endorse a crash programme of economic measures designed to lessen dependence on copper exports by boosting the agricultural sector as a hard currency earner. In a 40-minute address, during which he also announced that general elections would be held on a date to be determined by the cabinet next week, he has been speculating that polling would be postponed—Mr. Kaunda said overstaffed Ministries would be pruned and civil servants sent to the land to provide some of the manpower for the projected agricultural revival.

As if to underscore the point, one Consolidated Mining, one of Zambia's leading mining concerns, published its quarterly review here yesterday, which said the company was operating at a loss because of the decline in prices on the London Metal Exchange, the rising cost of supplies, the devaluation last year of the Kwacha and miners' wage awards. The net profit for the quarter ending June 30, 1977, was given as \$29,000 Kwacha, in contrast to the figure of \$82,000 Kwacha for the same period last year. As has been the case for over two years, no dividend was declared and RCM said capital expenditure would now be limited to the most essential projects. Dr. Kaunda's "back-to-the-land" call follows a series of campaigns to try to promote an agrarian revolution in Zambia, where climate and soil quality seem to favour farming but where long dependence on copper has attracted much of the potential work-force to the cities along the north-south line of rail. Copper provides virtually all Zambia's foreign exchange and there appears to have been little result from previous efforts to persuade Zambians to abandon the towns and take up farming. His suggestion, however, that public servants be sent to the countryside and that exports be promoted in such a manner as to force Zambians to grow their own food rather than rely on farmers was the toughest line he has so far taken to try to awaken his countrymen to the need for greater agricultural output. He also stressed that the provision of agricultural machinery and the establishment of an efficient marketing infrastructure were top priorities—hardly surprising in view of frequent reports of difficulties collecting the present maize crop.

S. Africa 'still able to borrow overseas'

By Quentin Peel

PRETORIA, Oct. 11

THE SOUTH AFRICAN Government is still able to raise money on international markets, both to renew existing loans and for new transactions, Senator Owen Horwood, the Minister of Finance, said here today. Speaking on his return from Washington, where he attended the annual meeting of the International Monetary Fund, Horwood said that he had been successful in raising more finance both for the Government and for Government undertakings, on his trip, although he refused to give any further details. "Some of these transactions are in the process of being finalised," he said. However, he admitted that whatever money was available to South Africa was on considerably shorter terms than had traditionally been the case—a maximum of four to five years instead of eight to nine years. Senator Horwood said he had provided, in his budget, for total foreign capital requirements of R400 million, (£80m) for loan renewals. He believed it would be possible to better that target.

Bhutto denies murder charge

BY SIMON HENDERSON

ISLAMABAD, Oct. 11

MR Z A BHUTTO, Pakistan's former Prime Minister, pleaded not guilty today when he was formally charged with murder at the Lahore High Court. The case is one of several outstanding charges against him, including contempt of court and illegal imprisonment of his opponents. It is also expected that the military regime under General Zia-ul-Haq will charge him with corruption and the abuse of power. General Zia, announcing last week the indefinite postponement of elections due on October 18, gave as the main reason for his action the need for voters to give first the verdicts of the courts on the accusations against Mr. Bhutto.

Similarly charged were four members of the paramilitary Federal Security Force, often described as Mr. Bhutto's personal army. Mr. Mahmood Mahmood, the former head of the force, who has turned the case into a political episode, was arrested shortly after the military coup d'état on July 5. Mr. Bhutto is being held in custody after bail granted by the court was cancelled. He has decided to ask General Zia for further clarification about the meeting. General Zia proposed for tomorrow to discuss the political situation following the postponement of elections. The two-day meeting, the party central executive committee appeared divided on what action to take now that the polls have been put off and Mr. Bhutto's trials are going ahead. The letter to General Zia sought to reflect a compromise after strong pressure from the party leadership to reject the general's request for a meeting. During today's hearing the court overruled objections, made in Mr. Bhutto's defence to legal proceedings being followed in the trial. Then evidence was heard from Mr. Kasuri. The case

Victoria strike hopes

MELBOURNE, Oct. 11

UNION LEADER Bob Hawke today reported the first breakthrough in a nine-week power strike that has thrown about 300,000 people out of work. The strike by power station maintenance workers in Victoria has led to a partial electricity cutback and forced the authorities to declare a State of Emergency. Mr. Hawke, the Trades union chief, said after a meeting with union representatives today that

they were considering a proposal that would get the 2,500 men back to work at electricity generating stations. However, no details of the proposal were available. The men have been demanding a \$440 a week pay rise. Victoria Premier Dick Hamer has said that his Government was ready to take the most "drastic action" if Mr. Hawke's intervention did not succeed. Reuter

SOUTH LEBANON

Impasse over withdrawal

BY RICHARD JOHNS, MIDDLE EAST EDITOR

KHIAAM, Oct. 11

IMPLEMENTATION of the agreement ending the withdrawal of Palestinian forces from areas in southern Lebanon is threatened by their refusal to pull out unless the right-wing Christian forces confronting them, and backed by Israel, do the same. The Israeli Palestinian al Fatah commander at Khiam, focal point of 10 days of fighting last month, said this afternoon that he would not withdraw his forces until the embryonic Lebanese army force being prepared to man the southern border area had occupied nearby Marjayoun and Qleia. Capt. 'Abu Sa'ad' implied that this was the official policy of the al Fatah leadership.

Its troops moving closer to Israel. The Israelis are still entrenched in the six positions in southern Lebanon established earlier this year. Following the September 26 ceasefire, they pulled back under US pressure, only those forces sent into the conflict last month. The Palestinian forces at Khiam, an estimated 100 or so in all, assert a "no withdrawal" policy. The al Fatah point of the "Right-wing Christian advance on a hill only 1km. away. Capt. 'Abu Sa'ad' said that, just after each dusk, Israeli armoured vehicles re-enter the positions occupied during the September fighting and then withdraw at dawn—presumably to make sure the guerrillas have not established themselves there. Before the Lebanese civil war moved south at the end of last year, Khiam was a relatively prosperous town with a population of 35,000 which has now been reduced to a handful of families doggedly hanging on. Much of it has been flattened and there is scarcely a house undamaged, largely due to Israeli 120mm howitzers. The loss of the neighbourhood would have meant the virtual encirclement of Khiam, which offers a strategic point for rocket attacks on Metulha, Klayat Shimon and the Hula

Press complaint by Kruger

By Our Own Correspondent

JOHANNESBURG, Oct. 11

MR. JAMES KRUGER, the South African Minister of Police, has lodged for a second time an urgent complaint with the Press Council over newspaper comment on his handling of circumstances surrounding the death in detention of the black leader, Mr. Steve Biko. Mr. Kruger called to-night for an immediate hearing by the quasi-judicial body of his complaint against a new editorial in a South African newspaper, The World, which criticised his previous decision to take the Johannesburg morning newspaper, the Rand Daily Mail, before the court over a headline on the Biko case. In its editorial yesterday, The World criticised Mr. Kruger's action against the Rand Daily Mail as "a scandalous public demonstration of the law which surely betrays the myth held in many quarters that South Africa is a free Press."

SEIRU, Oct. 11

FIGHTING broke out again in South Lebanon today. Heavy artillery and tank cannons were used in exchanges between Christian right-wingers and Palestinian forces with left-wingers along the border with Israel. UPI

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AMERICAN NEWS

U.S. trade deficit 'same size next year'

By Our Own Correspondent

WASHINGTON, Oct. 11

THE U.S. trade deficit next year will be about the same size as it has been this year, a senior Administration economist conceded today. Mr. William Nordhaus, a member of the President's Council of Economic Advisors, said that this year's deficit would probably reach \$30bn, nearly five times higher than the previous record. It would be "about the same" in 1978.

SALT produces 'major shifts by both sides'

BY DAVID BELL

WASHINGTON, Oct. 11

A TENTATIVE agreement to the strategic arms limitation talks (SALT) between the U.S. and the Soviet Union involves significant concessions by both sides, according to reports here. The New York Times reported this morning that the U.S. has agreed to limit its strategic nuclear missile fleet. In return, the Soviet Union is said to have agreed to cut its overall missile tally by about 400 and to enter into a "temporary" limitation by the U.S. on the number of the American anti-missile Cruise missile.

WASHINGTON, Oct. 11. Under this, both sides would accept a ceiling on the overall number of missiles and numbers of between 2,100 and 2,550. As the U.S. currently deploys about 2,000 missiles, this would effectively maintain the status quo. But the Soviet Union, which was permitted under the 1972 SALT Agreement to deploy a great number of weapons, would have to cut its overall number by about 300 to meet the new ceiling. Within this ceiling, according to today's reports, would be three sub-limits. The first would set a ceiling of 1,250 for the combination of missiles with multiple warheads and those with multiple warheads and those with multiple warheads. This amounts to a U.S. concession to Russia's assertion that bombers armed with the Cruise should be treated in the same way as multiple warheads.

The second sub-limit would set for between 1,200 and 1,250 for the ceiling for the combined total of land and sea-based missiles with multiple warheads, and inside this limit there would be another one which would restrict to between 800 and 850 the number of land-based missiles equipped with multiple warheads. The U.S. would regard the latter as a significant Soviet concession. Within the last month, the Pentagon has been warning publicly of the dangers that the entire land-based Soviet missile fleet could be re-equipped with multiple warheads by the mid-1980s, thus threatening the U.S. land-based system.

There is also likely to be Congressional opposition to the agreement. U.S. willingness to agree to leave the Soviet heavy missile fleet unchanged. Ultimately, the President spoke of the need to cut it by half, and critics are likely to charge that the U.S. is making a concession over the Cruise that the Soviet Union has over its heavy missiles. These concessions, the Russians had wanted a far tighter restriction on the Cruise and the Americans had sought to cut the heavy missiles force from 300

tests provided that they are launched. There is also likely to be Congressional opposition to the agreement. U.S. willingness to agree to leave the Soviet heavy missile fleet unchanged. Ultimately, the President spoke of the need to cut it by half, and critics are likely to charge that the U.S. is making a concession over the Cruise that the Soviet Union has over its heavy missiles. These concessions, the Russians had wanted a far tighter restriction on the Cruise and the Americans had sought to cut the heavy missiles force from 300

Canadian \$ continues to slide

BY JAMES SCOTT

TORONTO, Oct. 11

THE RISE in Canada's unemployment rate last month to the highest level since the depression years of the 1950s, together with bleak forecasts for the economy, have knocked the Canadian dollar down to its lowest level in 10 years, in relation to the U.S. dollar. For the past week, the dollar has been sliding rapidly and now is below 92¢ U.S. cents, down more than 1 cent in less than a week. Adjusted for seasonal variations, the unemployment rate rose to 8.2 per cent. Nearly 500,000 people were looking for work compared with 465,000 in July 1976.

The first major economic speech by the new Finance Minister, Jean Chretien, last week added to the negative sentiment in the exchange market. Traders noted that Mr. Chretien's forecast of only 2 per cent real economic growth this year is a further step away from the target of 4 per cent set last year. Mr. Chretien also said that the float of the Canadian dollar will "have to find its level in the market place".

Nigeria leader visits Carter

By Our Own Correspondent

WASHINGTON, Oct. 11

PRESIDENT CARTER and Gen. Olusegun Obasanjo, Nigeria's Head of State, agreed today that failure to reach a "definitive negotiated settlement" in Rhodesia would "lead inevitably to steadily increasing bloodshed". The two men talked for more than two hours, after longer than the meeting underlined the dramatic improvement in U.S.-Nigerian relations since Mr. Carter became President. Nigeria has been traditionally hostile to the new Zimbabwean and Mr. Obasanjo has been pleased that today's signing that he is in visit Lagos himself next month as part of his world tour. Mr. Jesse Powell, the President's Press Secretary, said that among other things, the two men discussed possible Nigerian participation in a peacekeeping force in Rhodesia. But he said it would be up to the Nigerians to make their position clear on this issue. The General is to give a Press conference on Thursday morning.

Yen gains against dollar

BY CHARLES SMITH

TOKYO, Oct. 11

ACTING AGAINST slightly against the dollar through most of last week, the yen gained ground today when the Tokyo Foreign Exchange market reopened, following a three-day holiday. The closing rate to night was Yen236.70 to the dollar, compared with the Yen236.40 at the close of trading on Friday. Today's rate was the second highest recorded since the yen began its steady rise against the dollar in February, 1973. The high rate, reached in July 1973, was Yen251 to the dollar. There is now clearly a 50-50 possibility that the yen will go on to set new records against the dollar. The Bank of Japan, which intervened actively last week

Pension scheme failure warning

BY JOHN WYLES

NEW YORK, Oct. 11

A WARNING that potential failures of multi-employer pension schemes could cost the U.S. economy nearly \$40 billion during the next few years has been sent to Congress by the Pension Benefits Guaranty Corporation. The corporation is required by law to assume guarantee responsibilities on behalf of the federal Government for about 2,000 multi-employer pension plans from January 1. Its gloomy analysis of the financial instability of many of these schemes has been produced in support of legislative proposals to improve the system, so as to allow time for amendment of pension laws which could help bring some of the schemes back from the brink of collapse.

The corporation estimates that there are about 40 plans covering 365,000 workers which are experiencing severe financial problems and have a high potential for failure within five years if they were guaranteed by the government. It could cost up to \$300m. to meet unfunded liabilities. But a more distant danger is threatening another 200 multi-employer schemes, says the corporation, which could fail sometime after the next five years at a cost to the government of another \$300m. Usually, multi-employer plans cover part of an industry, or all of it, and often involve a number of companies. The potentially mortal weakness of about 10 per cent of all plans derives in many cases from the decline of an industry, such as the textile or milk delivery sectors, where contributions are increasingly failing to match liabilities. In other cases, according to the corporation, the pension laws are deterring some employers from entering into such plans, and others to leave. This has been particularly true in the construction industry where contractors are required to put some of their money in "escrow" to cover their liabilities in the event of failure of local construction workers' pension plans in cities where they may occasionally do business.

Martin Dickson assesses the importance of the reforms introduced by President Mobutu in Zaire

Planning devolution, but keeping the reins of power

BY MARTIN DICKSON

LEOPOLDSTADT, Oct. 11

WHEN A man knows he is to be hanged in a fortnight, observed Dr. Johnson, he concentrates his mind wonderfully. The invasion of Zaire's Shaba province earlier this year had a similar effect on President Mobutu Sese Seko, prompting him into a reorganisation of his country's political, economic and administrative systems designed to restore his battered prestige both at home and abroad. That is why elections are being held this month for municipal councils, a new legislative assembly, and to select members of the Political Bureau of the Popular Movement of the Revolution (MPR), the supreme organ of the country's sole party, a process that began last week-end.

and highly personalised political system. However, the bodies to which people are being elected have very little power. The Government of Zaire remains very much in one-man hand, dominated by President Mobutu. A strong concentration of power is perhaps understandable in a country almost the size of Western Europe, with extreme ethnic diversity, strong centralised tendencies and the legacy of the Katanga secessionist movement of the early 1960s. President Mobutu's fears of loosening his hold over the reins of authority can only have been increased by the invasion of Shaba on March 8 this year by a group of former Katanga secessionists. Although no organised opposition to his regime surfaced in Kinshasa, diplomats there feared that President Mobutu's 12-year-old regime might not survive the storm, particularly since the country was already facing chronic economic difficulties. Will, the invasion crushed, President Mobutu knew that the Western allies who came to his aid would be expecting political changes. Countries such as France, Belgium and the U.S., anxious to stem the spread of communism in Africa, would want to see an effective government in Kinshasa, yet not one that would reinforce the Head of State's dictatorial image. For his part, President Mobutu needed to overcome the humiliation inflicted at home by the Shaba invasion and restore confidence among Zaire's international creditors. The country's foreign debts of between \$2bn and \$3bn. The upshot was a series of reforms announced in a speech on July 1. The central message was that over-centralisation ran the risk of "asphyxiating" Zaire's political, economic and administrative systems. There must be a devolution of responsibility to the regions. In the political sphere, for example, this means that the majority of members of the MPR Political Bureau will now not only be elected but will also come from the regions. Economically, a Ministry of Rural Development is being created to boost production and

reverse the drift from the land, and an audit office introduced to oversee Government spending—lack of control over which was complained of by Zaire's west debt holders. There are also plans for greater regional economic independence through local planning councils. In the administrative sphere, President Mobutu announced that the Commissioners of Zaire's eight regions would be given local control over the army, police and regional Government departments. While it may yet be too early to judge the reforms, there of strong scepticism about whether they will have much effect. Even if President Mobutu genuinely wants some devolution of power, can he afford to give Zaire's regional tendencies? The divisional commissioners' extra powers will not diminish the President's control, since he appoints them and their first allegiance is to him. As regards the central government, all the indications are that President Mobutu intends to retain as tight a grip as ever. In a Cabinet reshuffle following his July speech, he produced a major surprise, reintroducing the post of Prime Minister, which had not existed for some years. Explaining the move, he complained of a lack of co-ordination in the executive. General adding that in a country like Zaire one man—that is, himself—"cannot know and do everything." But the choice of 39-year-old Professor Muzina Kasenda as Prime Minister was also a surprise, since he appears to carry relatively little political clout. Largely unknown to the outside world, he is an academic who played a major role in formulating Zaire's official (and father-confused) ideology of Mobutism. The man originally tipped for the post—and once regarded as a potential successor to President Mobutu—was Zaire's Foreign Minister, Nguzu Karli-Band, said to be one of the few Cabinet members prepared to speak his mind to the Head of State. But Mr. Yumba was sentenced to death last month and then reprieved after being convicted of high treason for allegedly falling to reveal knowledge of the Shaba invasion plan. Another official with a reputation for independent thought, Mr. Simba Ndayi, the Zaire's balance of payments problems can be attributed largely to the sharp fall in the price of copper which in 1974 provided over 80 per cent of foreign trade earnings, and to difficulties in expanding its minerals. It is the world's largest producer of industrial diamonds, and cobalt. The closure of the Benguela railway—which runs through Angola to the Atlantic—during the Angolan civil war was a heavy blow, causing bottlenecks and increasing transport costs. There are no signs of the line reopening. But much of the responsibility for the economic crisis must rest with the Zairians themselves. Mismanagement of the potential in copper prices during 1974, though it was only in 1975 that the full effects of over-coin production and over-reliance on copper became apparent, had been excessive borrowing and agricultural neglect became evident. President Mobutu's 1977

WORLD TRADE NEWS

Future of steel 'tied to Third World'

BY ROY HODSON

A RADICAL shift of world steel making from the industrial nations to the developing nations is believed by many steel industry leaders to be inevitable during the next ten years.

The future of the world industry is expected to be linked ever more closely with the progress of the developing nations.

That was the consensus view to emerge here today at the International Iron and Steel Institute's Annual Conference.

Leading executives of many of the world's biggest steel companies held a special session to discuss the current trend in the steel business.

ROME, Oct. 11

Demand for U.S. action on imports

By Stewart Fleming

NEW YORK, Oct. 11 RENEWED DEMANDS for the U.S. government to take further steps to protect industries such as steel, textile and television manufacturing from "unfair" foreign competition were made today in New York.

Confrontation looms over rail policy within Common Market

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

ANOTHER confrontation over EEC railway policy seems likely at the next Council of European Transport Ministers as a result of a series of stiffly worded letters recently sent out by Herr Kurt Gscheidle, the German Transport Minister.

Herr Gscheidle has written to his ministerial colleagues in Britain, Italy and Holland, complaining that not enough is being done to halt the trend of freight away from railways and towards heavy lorries.

This situation is particularly galling for the Germans, whose federal railway losses last year cost the Government £2,435m.

Offer to Italians in price row

BY OUR OWN CORRESPONDENT

A DEAL has been offered to certain northern Italian steel producers to secure their future obedience to the compulsory minimum price that the Brussels Commission imposed early in May on steel reinforcing bars.

That the minimum price on reinforcing bars is a by-product of current EEC attempts to improve the health of the European steel market.

Since May, several of the Brescia steel producers have sought the minimum price, which they have seen as an attempt by the Commission and the big steel producers to put their relatively efficient operations (electric furnaces using current cheap scrap) out of business.

The EEC Commission said it granted loans to French steel and coal concerns totalling Frs.355m. (£42m.) to aid construction and modernisation programmes.

Call for EEC shoe imports move

BY DAVID BUCHAN

LEADERS of Europe's shoe manufacturers today joined the growing band of protectionist-minded industrialists in calling on the EEC Commission to stem shoe imports from third countries, to prevent further restrictions on European shoe exports, and to press on with dumping investigations.

Since 1972, he said, the European shoe industry had lost 8,000 jobs, production had fallen 8 per cent to \$10.5 pairs a year, imports had increased 30 per cent to 231m. pairs a year, while exports have fallen 15 per cent.

Commission officials today said they shared the industry's concern, and as a first step towards a common European policy had set up a joint industry-trade union committee.

WEST GERMANY will fulfil its contract to sell a nuclear power plant to Brazil despite opposition from the United States, West German Foreign Minister Hans-Dietrich Genscher said today.

Nuclear plant for Brazil

TOKYO, Oct. 11

A critique of fundamental free trade philosophy of the Carter Administration was launched, too, by Mr. Allen Dawson, an executive vice-president and director of Corning Glass Works (a company which manufactures television tubes).

German loan for Greece

By Our Own Correspondent

THE State-controlled Hellenic Railways Organisation (OSE) is to receive a DM100m. (£24.5m.) loan from a consortium of 11 West German banks and the Greek Ergobank to modernise Greece's railway network.

Ship order for Japanese

BY OUR SHIPPING CORRESPONDENT

LESS than two months after placing a major three-ship order shipbuilding intervention fund, with a British shipbuilder, Ocean Transport and Trading of Liverpool last night announced a higher order for Japanese and Polish yards.

Clayton in £8m. Dubai contract

BY RHYS DAVID

CLAYTON, SON, the Leeds-based construction engineer, has won an £8m. contract to supply aluminium siding and equipment to the \$500m. Dubai aluminium project.

The order, one of several which British companies have won for the project, has been placed by George Whipey Alcan, and is also a contractor (M.E.C.) on behalf of British Smelter Constructors, the consortium which is managing the Dubai project.

BAC £13m. space deal

Financial Times Reporter

THE BRITISH Aircraft Corporation's electronic and space systems division has been awarded contracts worth £13.5m. for work on the space telescope being developed jointly in Europe and the U.S.

Westinghouse wins Morocco contract

Financial Times Reporter

WESTINGHOUSE Electric of the U.S. has been awarded a major contract by the Kingdom of Morocco for development and installation of a modern integrated air defence system, AF-DJ reports.

Zambian exports

Financial Times Reporter

Zambian President Kenneth Kaunda has stated that an economic council will be set up to monitor a planned export drive to reduce the country's dependence on copper exports for foreign exchange earnings.

Ship order for Japanese

BY OUR SHIPPING CORRESPONDENT

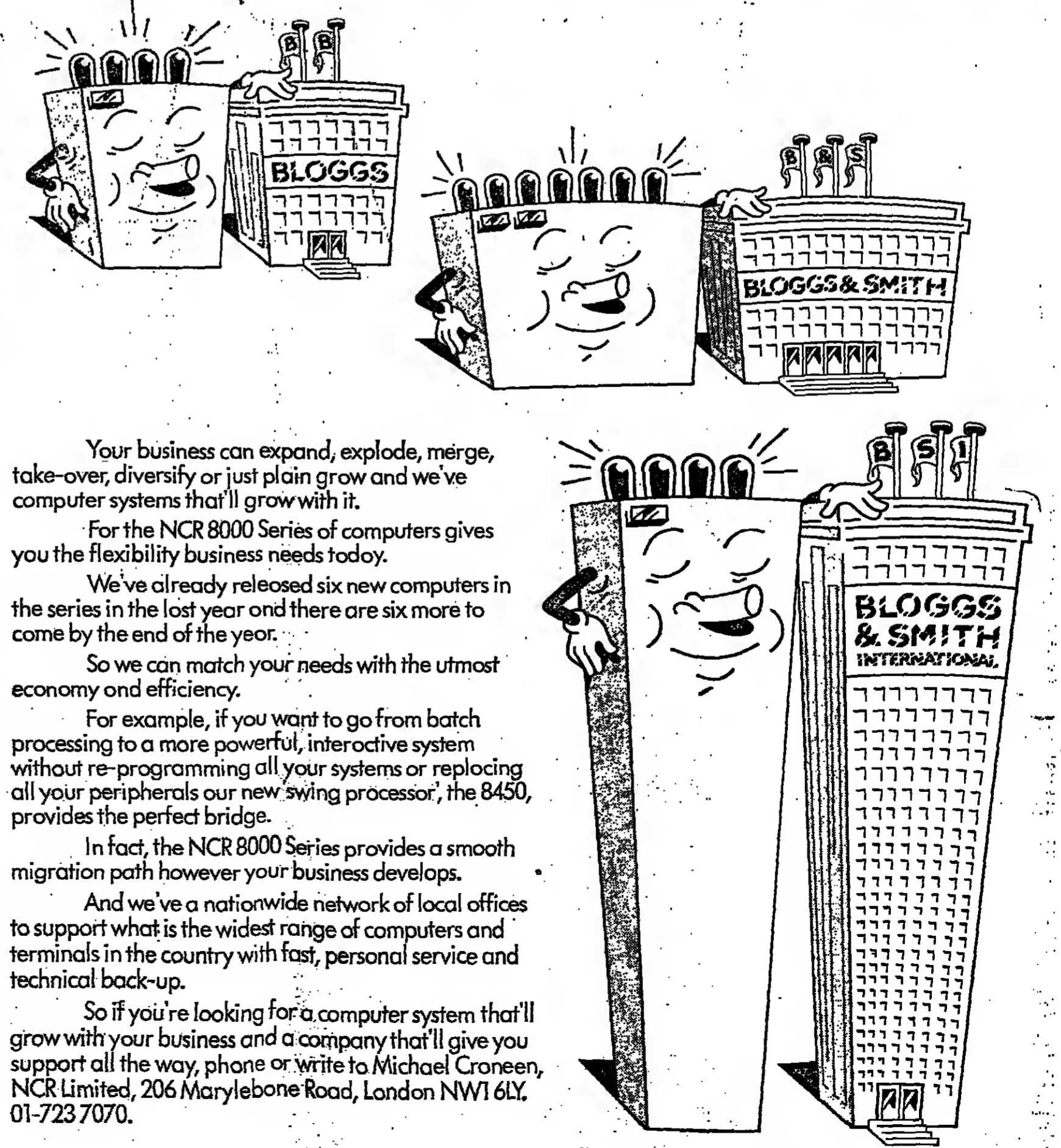
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STRATHCLYDE Industrial Exhibition and Conference. Strathclyde Hotel 25th until 27th October.

PROGRAMME Topics Tuesday 25th Oct. INCENTIVES FOR INDUSTRY. Wednesday 26th Oct. THE OIL INDUSTRY WORKSHOP. Thursday 27th Oct. CHEMICAL INDUSTRY.

Form for attending Strathclyde 77 with particular reference to... Name, Company, Address.

HOME NEWS

CBI against reflationary package in early November

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE CHANCELLOR of the Exchequer will be urged by the CBI next week not to give any stimulus to the economy until after the progress of the present wages policy begins to emerge in November and December.

When the CBI leaders meet the Chancellor next Wednesday a few hours before the CBI council holds its monthly meeting, they will argue for a cautious line on reflation.

They will point out that a fair amount of additional demand is already being pumped into the economy which will boost consumer demand.

Files on Midlands businessman for DPP

By John Brennan, Property Correspondent

NOTTINGHAMSHIRE Police have now submitted files of their investigations into the affairs of Midlands businessman, Mr. Douglas Gascoigne, to the Director of Public Prosecutions.

Mr. Gascoigne, who is chairman of the Yeston Minister Homes housebuilding division of the publicly quoted John Felkes Hefo, has been the subject of two police investigations over the past six months.

The files relating to Mr. Gascoigne's activities as clerk to the Southwell Parish Council near Nottingham, were passed to the DPP some weeks ago.

Commenting on complaints about non-payment of builders employed by both Yeston Minister and the Southwell Council, Mr. Gascoigne said yesterday that if they had completed work to his satisfaction they would have been paid.

Mr. Gascoigne was questioned by the police about his parish council role. But he says that he was not approached about the council's investigation into his housebuilding interests, and he comments that "I have no idea whatsoever what the complaints are about."

Mr. Gascoigne is a prominent Nottinghamshire businessman, with an estate agency and surveying firm, private building interests and control of the cattle market in Worksop.

Leyland Cars promise no cutback on machine tools

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

LEYLAND CARS has given assurances to machine tool manufacturers that there has been no cutback in its requirements.

This means there will be a considerable boost for the industry during the next two months because the Leyland plans involve the purchase of £50m. of machine tools between October, 1976 and December, 1977.

Delays in the ordering programme have caused concern among machine tool makers. But a meeting which went on until the early hours of yesterday between the Machine Tool Trades Association and Leyland Cars was "very profitable for both sides."

Labour drive to win student members

By Philip Rawstorne

THE LABOUR PARTY launched yesterday its biggest recruitment campaign in universities, polytechnics and education colleges.

Four Cabinet Ministers, Mr. Anthony Wedgwood Benn, Mr. Stan Orme, Mr. David Ennals, and Mrs. Shirley Williams are to lead the drive for new members by the National Organisation of Labour Students.

Meetings at universities and colleges in the next fortnight will be addressed by backbench Labour MPs.

The campaign is linked to the party's renewed bid to reverse the decline in its membership during the run-up to the General Election.

For the first time Transport House resources are being allocated for a major effort to attract recent Conservative successes in attracting recruits in the universities.

Mr. Benn said at a Press conference yesterday that there were already indications that the students who had previously turned to "protest politics" and community action groups were being attracted into the Labour Party.

Du Pont to invest \$50m. in Ulster

By Kevin Donohue, Chemicals Correspondent

DU PONT, the largest U.S. chemicals company, has finally given the go-ahead for a \$50m. (£25m.) modernisation programme at its neoprene synthetic rubber plant at Maydown, Northern Ireland.

Car and van outputs rise

PRODUCTION of passenger cars and commercial vehicles in the U.K. rose in September compared with both last August and the previous September.

The rise in commercial vehicle output was higher at 37 per cent. over August, but almost the same as cars compared with September, 1976 at 11.8 per cent.

The car output figures do not include those sent in component form for assembly at Leyland's Seneffe plant in Belgium.

Offshore safety: Exploding of North Sea oil had almost cost too many lives, Mr. Frank McElhone, a Scottish Office Minister, said in Aberdeen yesterday while opening the largest comprehensive offshore survival training centre costing £350,000.

Powell attack

Mr. Enoch Powell last night accused the Bank of England of "deliberately courting a renewed bout of inflation" by buying foreign currencies.

The Bank's action amounted to the "bartering away of the effort of the British people," he said at Barnsley, Yorks.

Furniture data: Domestic furniture deliveries during August were valued at £52m, says the Department of Industry. The seasonally adjusted index figure for the month was 143.1970 average=100, a rise of 4 points over the revised July figure, but 8 per cent. lower than in August last year.

Airport speed-up: A £7m. pedestrian subway

Tyneside shiprepair regrouping will not reduce workforce

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

THERE WILL BE no reduction in the workforce of the Tyneside shiprepairing industry as a result of a regrouping together of six yards announced yesterday.

This impression was strengthened when Mr. Butler was named first as chief executive of the three yards in the North East Coast Shiprepairers group in August.

Our South Shields correspondent writes: A combined operation by British Shipbuilders and its suppliers to cut costs by 20 per cent. to meet world-wide competition was urged yesterday by Admiral Sir Anthony Gifford, chairman of the new State corporation, opening a north east engineering exhibition at Gosforth Park, Newcastle and stressing the urgent need for orders in the industry.

GLC welcomes homes sale policy

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE Greater London Council yesterday welcomed the Government's readiness to see more local authorities could play in providing homes for local sale.

Acceptance of the role which local authorities could play in providing homes for the private sector.

A NEW nuclear submarine force, equipped with cruise or ballistic missiles, could cost well over £5bn. at current prices over a 12-year period, according to a report by Mr. Ian Smart, Director of Studies at the Royal Institute of International Affairs.

PM to visit East Anglia

MR. JAMES CALLAGHAN is to begin a two-day visit to East Anglia on Friday.

The visit is the latest in a series of Prime Minister visits to various parts of the country to see industry at work, particularly companies in the export field.

Submarine force 'could cost £5bn.'

Financial Times Reporter

A NEW nuclear submarine force, equipped with cruise or ballistic missiles, could cost well over £5bn. at current prices over a 12-year period, according to a report by Mr. Ian Smart, Director of Studies at the Royal Institute of International Affairs.

WANG advertisement featuring a large image of a Wang word processor and text describing its features like 'We make teach yourself Word Processing Systems' and 'The last word in word processing'.

Legal & General's unit drive

FINANCIAL TIMES REPORTER

A BIG EFFORT is being made by Legal and General Life Assurance, the largest pension company in Europe and the second largest life assurance group in the U.K., to become dominant in the unlinked life assurance sector.

At yesterday's launch of a new subsidiary, Legal and General Unit Assurance, Mr. John Elbourne, the manager, said that the linked life assurance sector was thriving.

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'Real' American cigarette launched in Britain

BY STUART ALEXANDER

THE FIRST authentic American cigarette has been launched on the U.K. market. The cigarette, called the Decade, is manufactured by Liggett and Myers and contains flavoured additives, which have been allowed in the U.K. since October 1st.

The regular savings policy provides the minimum death cover consistent with eligibility for tax relief. The minimum monthly premium is £50 more than twice the usual market limit.

The pensions contracts will be confined to two specialist areas: self-employed and the controlling director markets—both of which have been areas of high potential business this year.

Ezra stresses need for new coal technology

BY JOHN LLOYD, INDUSTRIAL STAFF

A CONTINUING rise in production through the application of new technology is essential if coal is to play the role required in future world energy supply.

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Mitchell wins contract to manage village

BY OUR INDUSTRIAL STAFF

THE £2.5m. contract to manage Sullom Voe terminal workforce village in the Shetland Islands—Toll village—has been won by Mitchell Construction, part of the Tarmac Group.

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1978 Avenger

CHRYSLER IS to modify its 1978 Avenger range to include electronic ignition and stiffer suspension for a claimed improved ride and handling.

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Tissue is barrier to disease

BY DAVID FREUD

THE SURREY drug manufacturer Sterling-Winthrop has developed a barrier tissue which should reduce food poisoning and other touch-transmitted diseases.

The tissue, which goes on sale next month, contains a layer of the soluble plastic polyvinyl alcohol inside a paper sandwich. It will be available in both roll and band-kerchief tissue forms.

Sterling-Winthrop said yesterday that British standards of hygiene had tended to worsen in the last few years and touch-transmitted gastro-intestinal disease was on the increase.

The tissue, which goes on sale next month, contains a layer of the soluble plastic polyvinyl alcohol inside a paper sandwich. It will be available in both roll and band-kerchief tissue forms.

Council opposes mines advertisement with text 'Council opposes mines' and 'BY JOHN LLOYD'.

"It's hardly a licence to print money."

For any British youngster, North Sea oil is a fact of daily life that seems always to have been with us — like television, perhaps, or fish fingers.

Not quite so. The whole vast spread of North Sea oil activity came to life less than 20 years ago — in 1959, on the coast of Holland at Groningen, when one of the largest natural gas fields in the world was discovered. Since oil and gas frequently occur in the same area, and since the geologic basin in which the Groningen discovery was made extends under the North Sea, the Groningen find raised hopes for oil and gas production in the North Sea.

The study of possible oil-bearing rock formations beneath the sea bed off Britain's coast began in 1962. Two years later, the Continental Shelf Act was passed by Parliament; in September, 1964, the government issued the first licences "to search and bore for, and get, petroleum".

There have been five licensing rounds so far, the most recent in the early part of this year. By September, 1977, a total of 246 licences had been awarded, most of them in the North Sea and the balance in the Irish Sea, in Cardigan Bay and the Celtic Sea, and in the Atlantic west of Shetland and the Orkney Islands.

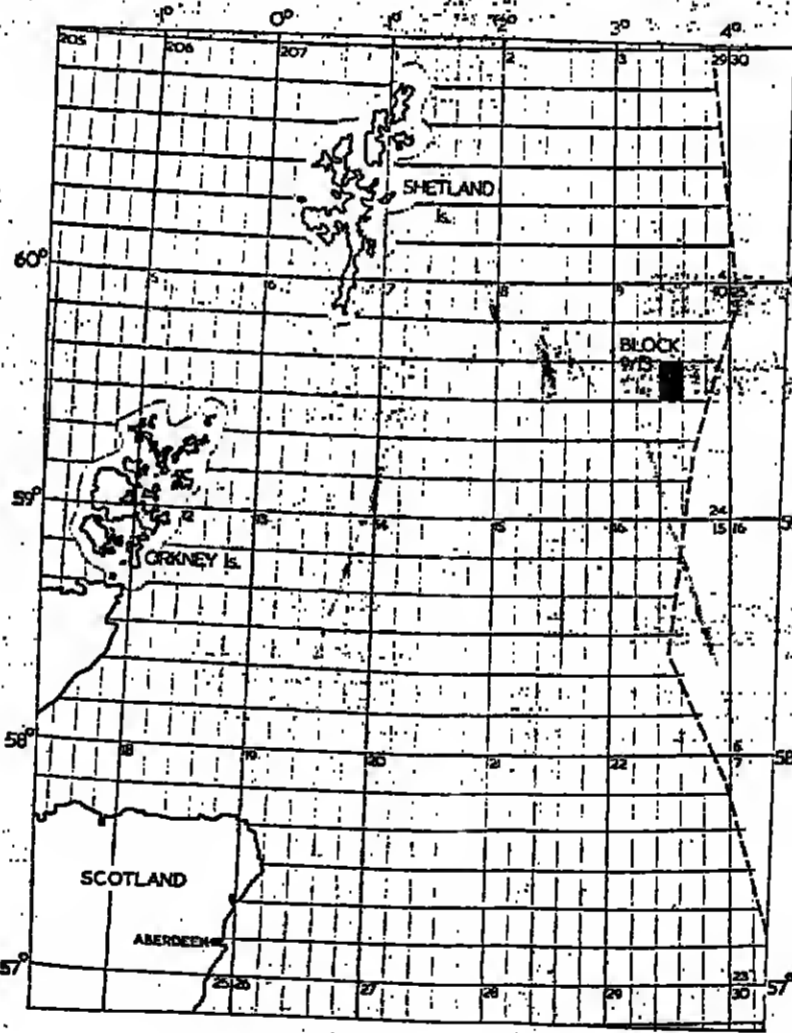
For licensing purposes, the Continental Shelf has been divided into a draughtsboard of 'blocks', each 75 to 100 square miles in area. The licensing process begins when the Department of Energy offers exploration and producing rights in certain of these blocks. After studying survey results on the likelihood of finding oil in the blocks, companies submit

detailed applications to the government, setting out what they expect to find and how they would explore and develop the acreage. It is common for several companies to form partnerships, because of the tremendously high costs involved in the search for oil.

Companies' financial and technical capability, previous licence experience and relevant exploration work are among the main criteria used by the government in judging applications.

When a licence is first issued, it is only valid for six to seven years. At the end of the initial term, the licence can be extended for 30 to 40 years. But the licence-holder must, at the same time, turn back to the government a major part of the acreage covered by the licence. If it wishes, the government may elect to offer this 'relinquished' acreage to all applicants in subsequent licensing rounds. The licence lays down a yearly rent for the block and general regulations governing exploration and producing activities.

"It's hardly a licence to print money", comments Mobil lawyer Vivien Gall. "On the contrary, meeting the terms and regulations requires you to spend vast sums of money, but with no assurance that you will ever get any of it back".



Description of Licensed Area

The sea area bounded by lines joining the following co-ordinates on European Datum:

- (1) 59° 40' 00"N : 1° 24' 00"E
- (2) 59° 40' 00"N : 1° 36' 00"E
- (3) 59° 30' 00"N : 1° 36' 00"E
- (4) 59° 30' 00"N : 1° 24' 00"E

The Common Seal of Mobil Producing North Sea Limited was herewith affixed in the presence of

[Signature] Director
[Signature] Secretary



Labour to win student members

PVI to visit East Ang

Submarine force cost £3

Tissue barrier to disc

s mine

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Like the time a customer turned up at our Glasgow airport desk. He was in a panic because he was late for a lecture he was giving at the University. No Avis car was available, so one of our Avis girls lent him her own for the evening.

Like our one-day, one-way rental service. Pick a car up here, leave it there.

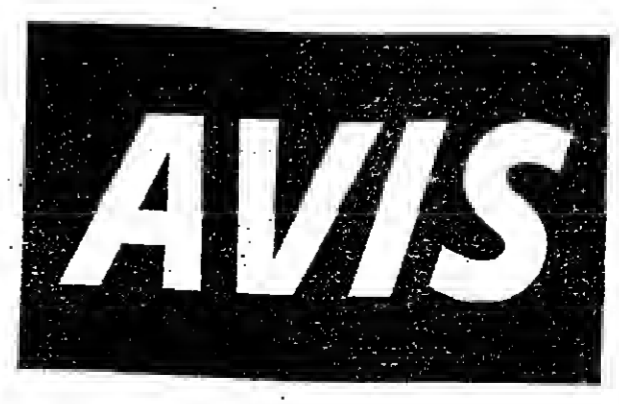
Like the condition and newness of our cars; few are older than 9 months.

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THE CONSERVATIVES AT BLACKPOOL

Prior backed on closed shop

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE OFFICIAL Tory policy on the closed shop was approved by the Conservative party conference yesterday after Mr. James Prior, shadow Secretary for Employment, told delegates that it was a fair and realistic way of remedying abuses by agreement and a code of practice rather than by law.

Ballot of employees planned

The policy principles laid down in the booklet, "The Right Approach to the Economy," state: "Where a union seeks a closed shop, a ballot of employees would be held. Only if a massive majority voted in favour would negotiations proceed."

'Rule by union hatchmen'

Proposing the motion, Mrs. Rosemary Brown, Newham North West, accused Left-wingers in the unions of using the battle cry of solidarity in order to crush the individual. A closed shop meant the rule of the union hatchmen.



Platform applause for Mr. Prior from Sir Keith Joseph (far left), a party leader, Mrs. Thatcher (right) after his speech to conference.

Party displays flair for harmony

BY RUPERT CORNWELL

THE ONLY real question before yesterday's hallowed "debate" on industrial relations was how the Great Split would be patched up. At the end of the day, all the professionals were agreed it was a pretty smooth job, even by the high Tory standards of the art.

Heath warns on jobless rise

MR. EDWARD HEATH warned yesterday that if unemployment reached 10 per cent, the frustration it engendered could turn against Britain's democratic and Parliamentary economic system for having failed to provide an answer.

Overmanning hits living standards—Sir Keith

BY IVOR OWEN, PARLIAMENTARY STAFF

AN UNCOMPROMISING denunciation of the misuse of trade union power was made by Sir Keith Joseph, party spokesman on industry, when he called for the ending of overmanning, restrictive practices and unnecessary overtime.

Nott pledges war on bureaucracy

BY IVOR OWEN

WHITEHALL'S grip on industry and commerce will be loosened by the next Conservative Government, Mr. John Nott, party spokesman on trade, assured conference.

Six-point charter proposed to improve comprehensives

BY JOHN HUNT

THE FIRST standing ovation of the conference was given to Mr. Norman St John Stevas, party spokesman on education, after a rousing speech in which he called for a return to traditional moral and religious values in schools and promised a six-point charter to improve comprehensives if the Tories are returned to power.

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Advertisement for Hogg Robinson, featuring the headline 'COMPUTERS NEVER MAKE MISTAKES.' The ad includes a photograph of a computer terminal and text describing their services in insurance and financial planning.

Vertical advertisement on the right edge of the page, partially cut off, mentioning 'TES' and 'Telephone'.

Handwritten signature or scribble at the bottom center of the page.

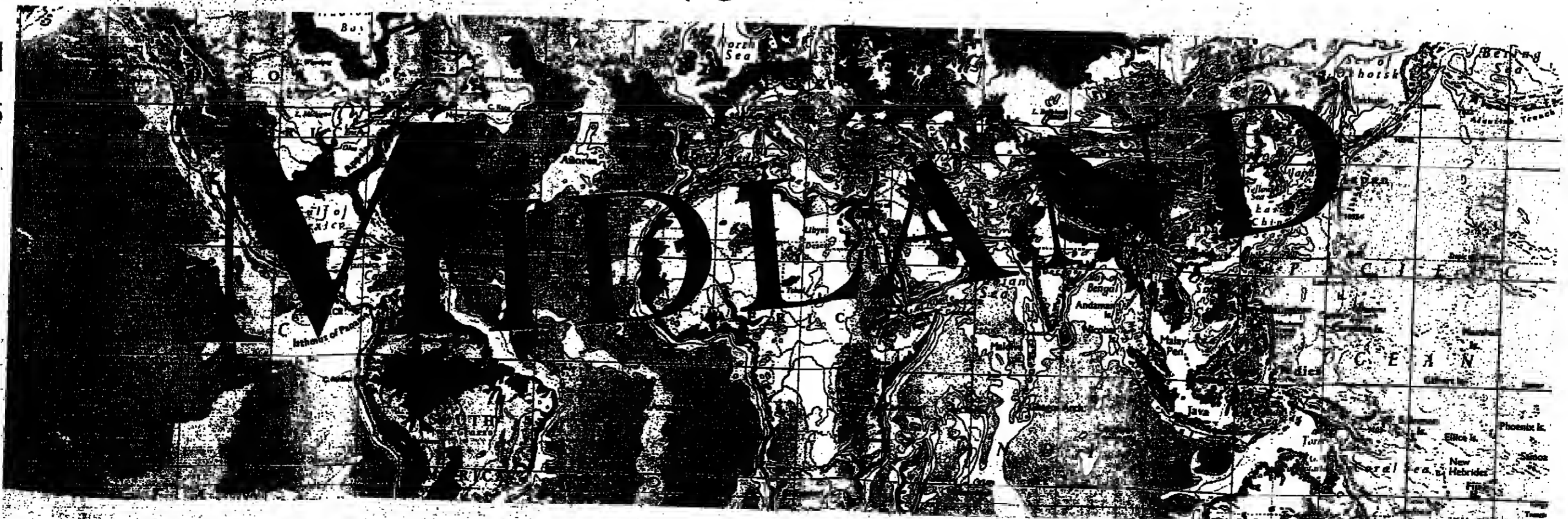
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The Financial Times

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Midland Bank International  Delivers.

Map by George Philby and Son Ltd. © 1977.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

SAFETY

Gas piping made free from flaws

EXPERIENCE gained by Du Pont in the inspection of polyethylene plastic pipe for natural gas distribution, among other things, has led the company to offer the equipment used, and the methods, to other makers of such pipe.

Basis of the inspection method are ultrasonics and the machinery used to do this work was developed jointly by Du Pont and Solec Instruments Inc. of Trenton, New Jersey, U.S. It scans the pipe as it is produced and immediately sounds a warning if any thickness variations such as thinning of the pipe wall is occurring.

At the end of the extrusion line, the pipe passes into a water bath containing one or two transducers, depending on pipe diameter, that rotate around the pipe as it is drawn through, emitting ultrasonic pulses. These pass through the water to the pipe surface and send back a double echo as they meet first the outside of the pipe wall and then the inside. A detector picks up these reflections and determines the interval between the two from which the thickness of the wall can be derived. The combination of the pulse rate of 3000 per second and the fast rotation of the transducer heads around the pipe (2000 rpm) produces a virtually continuous scanning or inspection band along the pipe.

A permanent record is made on graph paper showing flaws in a continuous reading of the pipe thickness with identifiers such as specifications, pipe lot numbers and individual coil or stick number. The company is considering the equipment as a means of refining the production process to a great variety of plastics pipes.

If required, a portable data processing unit can be plugged into the scanner and will record information such as inside and outside pipe diameter and its ovality. This will give valuable insight into the performance of the extrusion equipment.

HANDLING

Low profile weighbridge

THERE is no need for a pit to accommodate the foundations of the latest weighbridge to be produced by Toledo Scale.

The weighbridge is transportable by low-loader and it is claimed that the only site preparation normally necessary is the provision of three concrete plinths underneath the load cells.

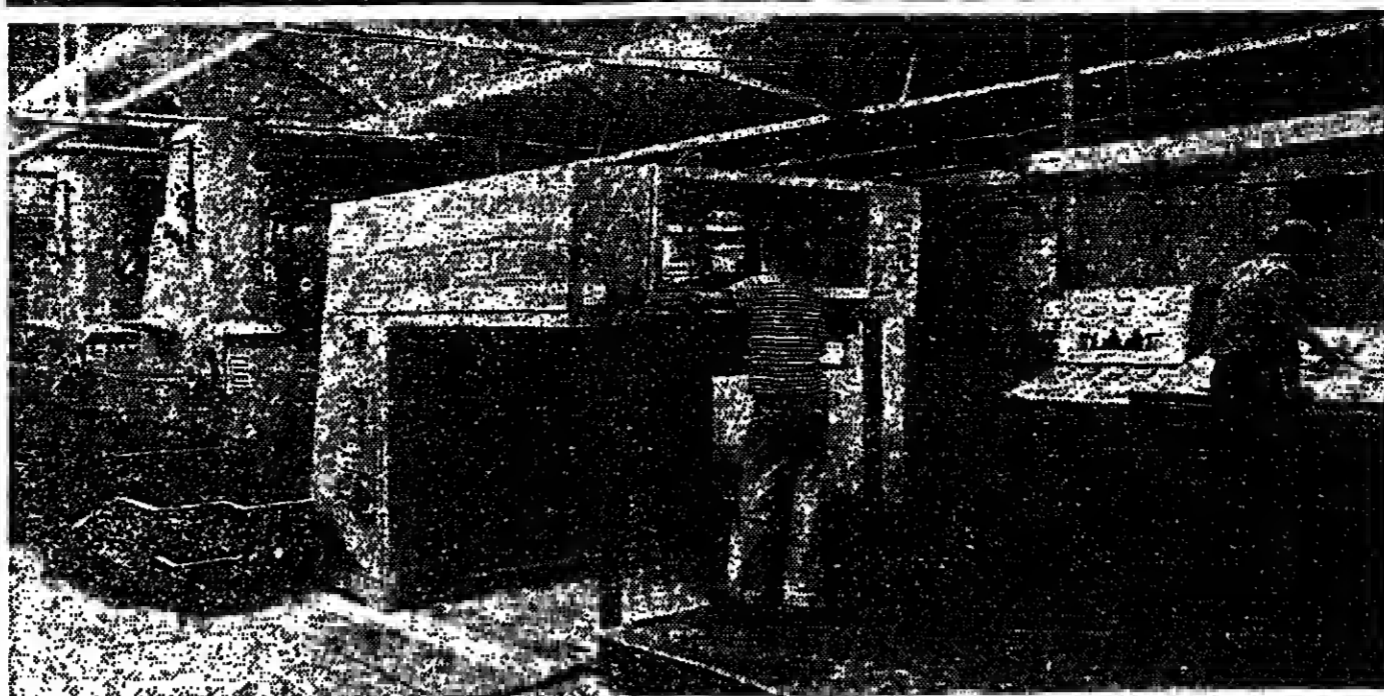
The weighing platform is supported on six hermetically sealed electronic load cells inside a hollow box section steel frame. It can be installed on sloping sites up to 14 degrees without its accuracy being affected. Vehicular access is by means of ramps.

INSTRUMENTS

Counts on five digits

MODERN integrated circuits, adequate for correct operation of thick film resistor networks and an open-plan component arrangement have produced a reliable and easily maintained five digit counter from Gould Advance, able to measure frequencies up to 33 MHz.

Facilities offered in the TC320 include frequency, single period, multiple period and ratio measurement, together with counting and totalising. Input arrangements include automatic gain control with sensitivity internally adjusted to give the best triggering. If the signal is in-



Delivery end and control console of a Roland four-colour offset litho press which has been installed in Morrison and Gibb's Edinburgh book printing works. The machine handles sheets 1,000 mm. by 1,400 mm. at up to 10,000 an hour and was supplied to Morrison and Gibb (Oxley Printing Group) through the Pershke Price Service Organisation. The Edinburgh printing works employs 400 and produces about 1.1m. books a year.

COMPUTING

Speeds the goods

AS PART OF a programme of expansion, Argos Distributors, Europe's biggest catalogue showroom chain, has placed an order worth more than £200,000 for 10-store computer systems to be installed in 20 new showrooms and early in 1978. The machines, to be built by Comet Computing Systems of Bedford, will speed service to customers.

Argos helps keep costs—and thus prices—down by storing merchandise in a mini-warehouse behind each showroom, with storemen picking goods as they receive orders from sales assistants. With the new system, assistants, using a small calculator-like keyboard, will be able to query a central memory bank that holds details of all merchandise in the store. The stock level of any item will be flashed to a small display in front of the assistant, together with the correct price. The quantity the customer wants is then keyed in and a ticket will be printed in the stockroom, telling the storeman to pick the item and load it on a conveyor belt.

The company is planning to make the equipment play a large part in the routine re-ordering of stock from the main warehouse to the stores. This is an inevitable development, hearing to mind the power of each store's computer to hold all the necessary up-to-the-minute information to carry out the necessary calculations, and to print re-order lists. Comet Computing Systems, 14 Ronald Close, Kempston, Beds.

WATCHES OVER PERFORMANCE

THOUGH SOME specialists from the high manufacturers attended the Tesdata user group meeting held at Peebles recently—among them representatives of IBM and ICL—the marketing end of the major manufacturers is unlikely to be viewing Tesdata with the same enthusiasm as users seeking improved performance and optimum use of their large systems.

Tesdata indicates that around 400 of the Fortune top 500 are already customers. Its equipment is aimed at customers with over \$2.5m. worth of equipment installed, and it has identified 3,500 sites worldwide, so it has a way to go. The key speech came from J. Dean of the U.S. Social Security Administration at Baltimore, Maryland. He reported about an on-line analysis, using hardware monitors, in one of the world's largest installations, certainly one of the most politically critical. It has 111 computer arrays, 13 360/65s, two 370/165s,

PROCESSING

Coats and checks pipes

INTENDED MAINLY for fugate spray, with no-drip shut-off. The smallest machine is for pipes from 3 to 18 inches bore and 30 feet long; the general-purpose model for pipes of 12 to 30 inches bore and 50 feet long; and the heavy duty machine, with motorised hose reels, is for pipes 12 to 30 inches bore up to 75 feet long.

The company recommends another of its products, Shieldco, for spraying the internal wall of pipes carrying hot (up to 98 deg. C) abrasive and corrosive materials. The coating is formulated from vinyl ester, bisphenol and chlorinated polyester, and modified epoxy resins. Instead of using glass strand or param, the resin is reinforced with interleaving flakes of glass only 3 to 4 microns thick, and varying in diameter from about 0.4 to 4.6mm.

The coating cures by chemical reaction at ambient temperatures, and can be applied to concrete or steel pipes. Pneumatically driven, the equipment can negotiate bends, and is said to provide controlled coating speed and consistency of application irrespective of pipe length or diameter.

BIOMEDICAL ANALYSIS

WITH APPLICATIONS in data microprocessor, requires no service connections other than electricity, cleans itself after each run, and is self-contained. The analyser can perform up to 39 pre-programmed tests, but if special tests are required the parameters can be set manually. Depending on the method used, 120 to 300 tests can be carried out in an hour.

Integration of a computer into the system provides an automatic printed patient report delivery system. Seven different reporting functions can be processed, by the microcomputer, which will handle up to 115 patient report files. It can be interfaced with one or two analysers to receive, store, process and retrieve data on command, with a minimum of operator intervention without programming and with no need to learn a computer language. More details from the company's clinical diagnostic department at Meteor House, White Lion Road, Amersham, Bucks. HP7 9LP (02944 4022).

PRINTING

Giant reels on new machine

DELIVERED by Strachan and Henshaw to a U.K. transfer paper producer, a 3.2 metre wide inspection machine is the widest machine of this kind yet built by the company, and is believed to be the largest inspection re-winder so far installed in the country.

This machine will be used to inspect and rewind paper printed on a rotary screen press, although it can also handle paper printed by the flexographic and gravure processes.

It can produce finished reels of paper up to 1,300 metres in length. Most existing transfer calender machines take a maxi-



ENERGY

Hot water for nothing

AN INEXPENSIVE central air-conditioning unit to provide hot water for hotels or apartment houses, has been developed by Electra (Israel), Beith Hagad, 19 Peta Tiyarh Road, Tel Aviv.

It has already been installed in a 100-room hotel at Nathanya, 20 miles north of Tel Aviv. During the first five months of operation, the hotel saved the equivalent of \$2,000 in electricity charges, with the system supplying the hotel's entire hot-water requirements.

Since the whole installation of the utilisation of the reject heat of the air conditioning system for heating water (to a temperature of up to 46 degrees Centigrade) cost only \$4,000, it will pay for itself in two summer seasons.

The same company has developed a new, low-temperature, low cost, non-corrosive heater for swimming pools. The "solaris" collector is made of plastic and, in contrast to other types of solar swimming pool heaters, consists of a one-piece collector plate with two glass panes for water supply and return. There is thus no array of multiple solar collectors with complex piping.

COMPONENTS

Delivery is a clincher

KOPPERS of Canada, a billion-dollar company which is one of the largest power transmission manufacturing and exporting groups in the world, has selected a relatively small U.K. company as its preferred supplier of gearmotors: equipment which goes between motor and load.

Against competition from four companies, two each in the U.S. and West Germany, the U.K. company Electropower Gears (EPG), of Ashbury, has succeeded in obtaining a five-year contract covering assembly, distribution and servicing of the EPG gearmotor and speed reducer range. This is to complement the Koppers offerings of products in power transmission couplings. It is believed that any one of the four competitors that lost out against EPG could have bought Electrical Group on a 50:50 basis up to the latter many times over. (0296) 4711.

COMMUNICATIONS

Laser sends the message

ORIGINALLY designed for military uses but likely to find application where both line and radio communication are either not convenient or are ruled out, a laser communicator from SAS Developments needs only a clear line of sight between two points.

Each of the units consist of a pair of optical tubes about 3 inches in diameter mounted one above the other on a pistol grip. A telescope is incorporated for sighting. Speech or digital data can be transmitted and received in either simplex or duplex mode and the speech bandwidth is 300 to 3400 Hz.

Range depends on the mounting method and extends from 18 km in a semi-permanent installation down to 2km, when the instrument is hand-held. Units can of course be repeated to extend the range. The unit, designated SA-13, can be powered from rechargeable nickel-cadmium batteries or from an external source. Weight is 4 kg. More sighting. Speech or digital data can be transmitted and received. WCLB:ADF (01-404 5711).

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FINANCIAL TIMES SURVEY

Wednesday October 12 1977

Romania

Despite the serious earthquake in March, Romania is hoping to achieve its ambitious Five Year Plan targets and sustain a high rate of industrial growth. Interest in trade with the West is strong, particularly in economic co-operation and joint ventures.

ON MARCH 4 this year an earthquake of rare severity struck Romania. Its epicentre was close to the capital, Bucharest, and the important industrial regions of the south-east.

It caused millions of pounds worth of damage, left tens of thousands homeless and claimed the lives of 1,500 people. In the days that followed, the world Press and television carried stark pictures of the devastation which wiped out one town entirely and, ironically, wreaked its greatest havoc in Bucharest's two main streets, Magheru Boulevard and Calea Victoriei.

President Ceausescu, who was abroad at the time, hurried home for what must have been his most exhausting days in office, touring the affected areas, visiting hospitals and holding Press conferences. As long as ten days later, survivors were still being dragged out from under the rubble.

Then came the long task of clearing up. Because of the fragility of many buildings, the order went out banning the use of explosives for demolition. Instead, wrecked buildings were taken apart brick by brick. In factories machinery had to be repaired. In Ploiesti, centre of the oil industry, wells had to be inspected for underground damage.

Many government offices were moved, stock and records were moved to new quarters, often some distance away. There can

not have been a single household in Bucharest which did not have cracks down the wall, broken windows and some relative or friend killed or injured.

But gradually life got back to normal. Within a month buildings were shored up with raw pine logs and Government departments were operating from their new quarters. To-day a visitor strolling down the streets would find it hard to believe that there had been scenes of devastation six months ago.

Romania's recovery from the earthquake has been remarkable. According to official statistics, the disaster caused only a hiccup in industrial production, and the flow of exports was slowed for less than a month. What is more, the Five-Year Plan will not only be fulfilled, but exceeded.

Bravado

All this is typical of the bravado that has marked official announcements in the past six months. Even so, it is obvious that an enormous effort has been made to keep the effects of the earthquake to a minimum.

In fact, the earthquake is now officially a closed subject. There are no more pictures of damage and human suffering on the billboards. Instead, the country is being told to rebuild, look ahead and forget the past. Even the word "earthquake" appears to have been banned.

The air of normality, of course, is deceptive. Just as the greatest material damage was caused to the interior of buildings, it is clear that the disaster took a heavy human toll in terms of morale and frayed nerves. The hot summer brought violence and labour unrest, in one case necessitating the personal intervention of the President, according to reliable reports.

But the leadership is clearly

At the same time the Government clamped down tightly on the emigration of the Hungarian and German minorities, which it had earlier permitted, presumably as part of its duties under the Helsinki Final Act.

In a surprisingly tough speech, Mr. Ceausescu described emigration as "unnatural" and said that people who were born in Romania of families who had lived in the country for a long time were Romanians, not

Mr. Ceausescu was also successful in quelling the tiny but vocal dissident movement that had gathered round the writer Paul Goma. Without resorting to the crude measures used elsewhere in East Europe, the leadership persuaded the dissidents to keep silent. Mr. Goma is not in jail, but he is no longer receiving foreign journalists.

The earthquake reinforced the western view of Romania as an exceptional country in East

part of the country is still agricultural. Relations with the Warsaw Pact, however, are on the up and up. Having secured Russian recognition of the right of every communist party to determine its own policies, Romania played host to the latest Warsaw Pact summit, and has had three meetings with President Brezhnev in the last year or so.

There is also more official talk of the friendship that exists between Romania and the Soviet Union. Although this rapprochement has in no way checked Romania's foreign policy in other directions, special considerations appear to lie behind it. The most important is that Romania is about to enter a period of heightened economic dependence on the Soviet Union. Starting next year, it will receive consignments of Soviet natural gas via a new pipeline which is currently under construction.

Until now Romania has avoided importing fuel on a large and regular scale from the grounds that a large

the Russians. The change of features of the State like those heard is due to the depletion of used by Stalin.

Other changes were also promised in education and the decline, oil is only rising marginally. In the longer term, these unfavourable trends are bound to have profound implications for Romania's foreign relations, and not just with the Russians. Oil will have to be imported in growing quantities, and a greater proportion of the domestic product will have to be exported to pay for it.

This means that living standards may not rise as fast as hoped. On the other hand, these are not as bad as Romania's status as Comecon's least developed country would suggest. Compared to Moscow, Bucharest is rich in the amount and variety of merchandise in the shops, much of it Chinese.

But the main outlines are clear. Romania will pursue its policy of rapid economic development, including the reforms which are highly unusual for an East European country and smack of the Chinese popular style. Most notable was the recent announcement by Mr. Ceausescu of measures aimed at speeding up the withering away of the State.

The judicial system of trial and punishment, he said, would be radically reformed so that only those guilty of very serious offences would go to jail. Other offenders would be sent for re-education by work under the supervision of work collectives. If it was necessary, he added, to get rid of the repressive image as a developing country.

Big effort to catch up

By David Lascelles, East Europe Correspondent

determined to keep morale as high as it can while at the same time extracting the utmost from the labour force and the economy to catch up.

Only a few weeks after the earthquake, Mr. Ceausescu announced that the wage targets would be raised by two-thirds and that the supply of consumer goods would be increased to match. Although the official line was that this had been planned before the earthquake, it looked like a sweener for the bad news that the planned shortening of the working week to five days had been postponed for a year.

matter what their ethnic origin. The reason for this hard line, it is believed, is that Romania cannot afford just now to lose thousands of well qualified and hard working Hungarians and Germans.

This must have been a carefully judged move, since the ethnic minorities have long been a highly sensitive issue, particularly with Hungary. It was significant that when the Rumanian leader Mr. Janos Kadar met Mr. Ceausescu in June, the final communique spoke of each country's responsibility for ethnic minorities.

exists between Romania and the Soviet Union.

Though rebuffed for this very reason by the non-aligned movement, Romania managed to secure entry into the Group of 77 on the grounds that a large

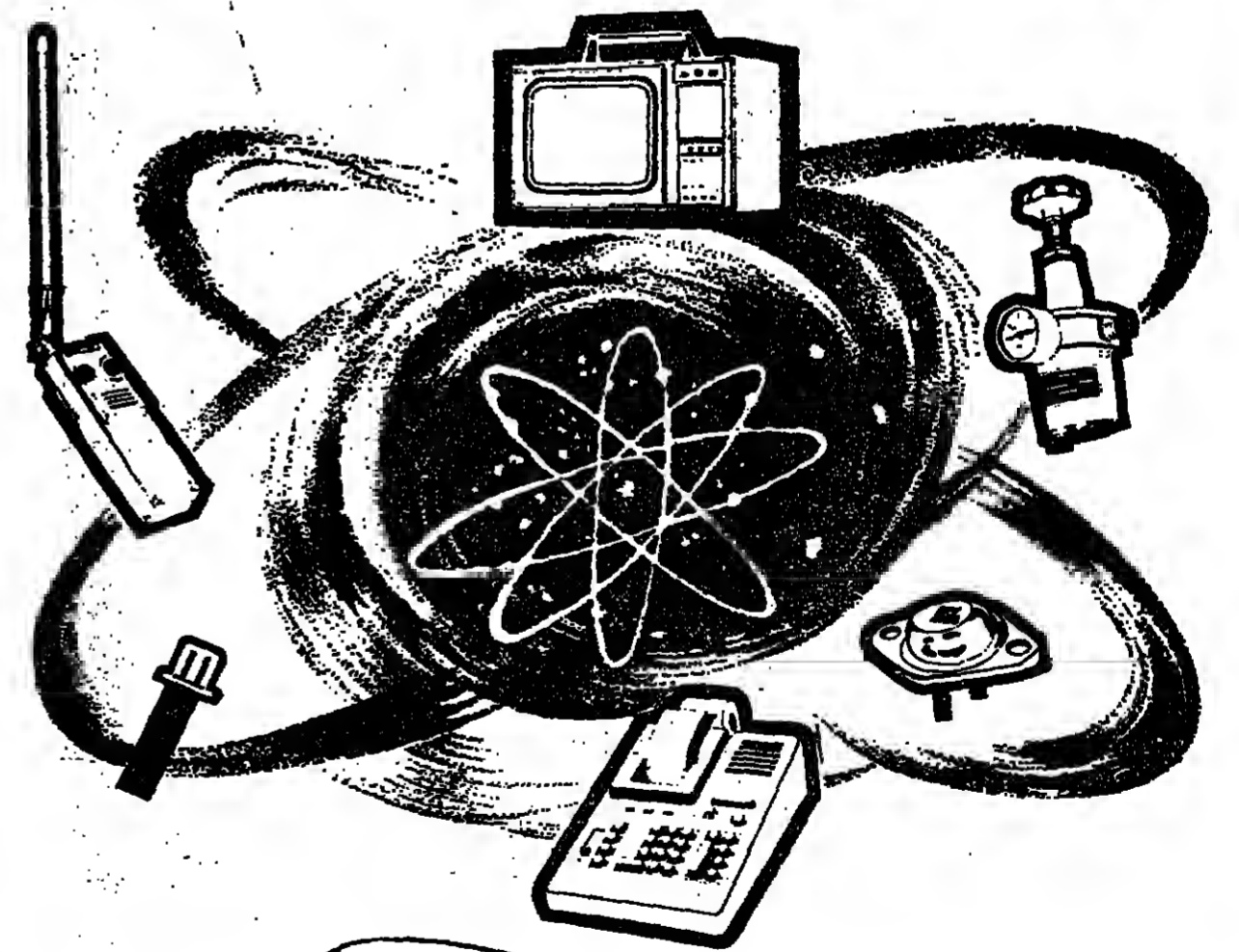
clear

But the main outlines are clear. Romania will pursue its policy of rapid economic development, including the reforms which are highly unusual for an East European country and smack of the Chinese popular style. Most notable was the recent announcement by Mr. Ceausescu of measures aimed at speeding up the withering away of the State.

Clear

Possibly as a result of its links with China, Romania is also attempting some internal development, including the expansion of its foreign trade, particularly with the West. Romania's foreign policy in other directions, special considerations appear to lie behind it. The most important is that Romania is about to enter a period of heightened economic dependence on the Soviet Union. Starting next year, it will receive consignments of Soviet natural gas via a new pipeline which is currently under construction.

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ROMANIA II

Economy shows resilience

FOR SEVERAL reasons, Romania's economy is one of the most remarkable in Comecon. It has extremely high growth rates: the national income, industrial production and foreign trade are all expanding by over 10 per cent annually. Its rate of accumulation is also high: a third of the national income is ploughed back into investments every year. And though disaster prone, it has proved highly resilient.

For the newcomer to Romania, the figures make dizzy reading. Yet even if they do at times seem too good to be true, it would be hard to miss the dynamism behind Romania's economic development, or indeed, the fact that the earthquake has scarcely checked it at all.

Economic policy is enshrined in the current Five-Year Plan (1976-80) which talks about the need to ensure an "impetuous" rate of development to enable Romania to catch up with the more advanced industrial nations, to consolidate industry's leading position in the economy and improve living standards.

The main impetus behind Romania's exceptionally high growth targets is the nation's acute sense of its economic backwardness and a determination to overcome it rapidly. Allied to this is a strong desire to make Romania as self-sufficient as possible in order to reinforce the independence it so earnestly craves.

In fact the country is less backward than it would have us believe. Although it insists on the status of "developing country" to justify its political alliance with the Third World and qualify for special commercial treatment from the West, Romania has a large and well diversified industrial sector. Output of basic products like oil and steel is proportionately greater than that of many Western nations, and in some goods, such as drilling equipment, it ranks among the world's leading exporters.

Even so, there is still a large and backward agricultural sector, which, seen alongside the country's generally low living standards, clearly places in Romania among the poorer countries of Europe. According to official statistics, the per

BASIC STATISTICS

Area	91,699 sq. miles
Population (1977)	21.6m.
GNP (1977)	\$23.76bn.
Per capita	\$1,100
Trade (1975)	
Imports	\$5.34bn.
Exports	\$5.34bn.
Imports from U.K.	\$39.8m.
Exports to U.K.	\$38.1m.
Trade (1976)	
Imports from U.K.	\$49.2m.
Exports to U.K.	\$49.5m.
Trade (1977)	
Imports from U.K.	\$57.1m.
Exports to U.K.	\$37.7m.
Currency: Leu	
£1=8.49 lei (commercial)	

capita GNP only surpassed \$1,000 last year.

Furthermore, Romania would not be able to achieve such high rates of growth if it was not starting from a low base.

The key to Romania's economic policy is the accumulation rate which, as mentioned above, is 34 per cent. Only one other country in East Europe has a comparable level—Poland—a country whose massive industrialisation drive is well known. The comparable figure for the Soviet Union is 26 per cent, and for the GDR 23 per cent. This means that Romania is re-investing one leu for every three it earns.

Transformation

Over the past two decades, the face of Romania has undergone a radical transformation, from an agrarian to an industrial state. Exactly ten years ago, industry for the first time accounted for more than half of the national income, and in 1980 this figure should have reached two-thirds. Agriculture, over the same period, will have dropped from a third to one-eighth.

Although Romania benefited from some traditional expertise standards, clearly places in Romania among the poorer countries of Europe. According to official statistics, the per

Large new industrial centres have sprung up at towns like Brasov, Galati, Craiova and Turnu Magurele while traditional towns like Ploiesti (centre of the oil industry) and Bucharest (which is the largest industrial centre in the country as well as the capital) have expanded fast.

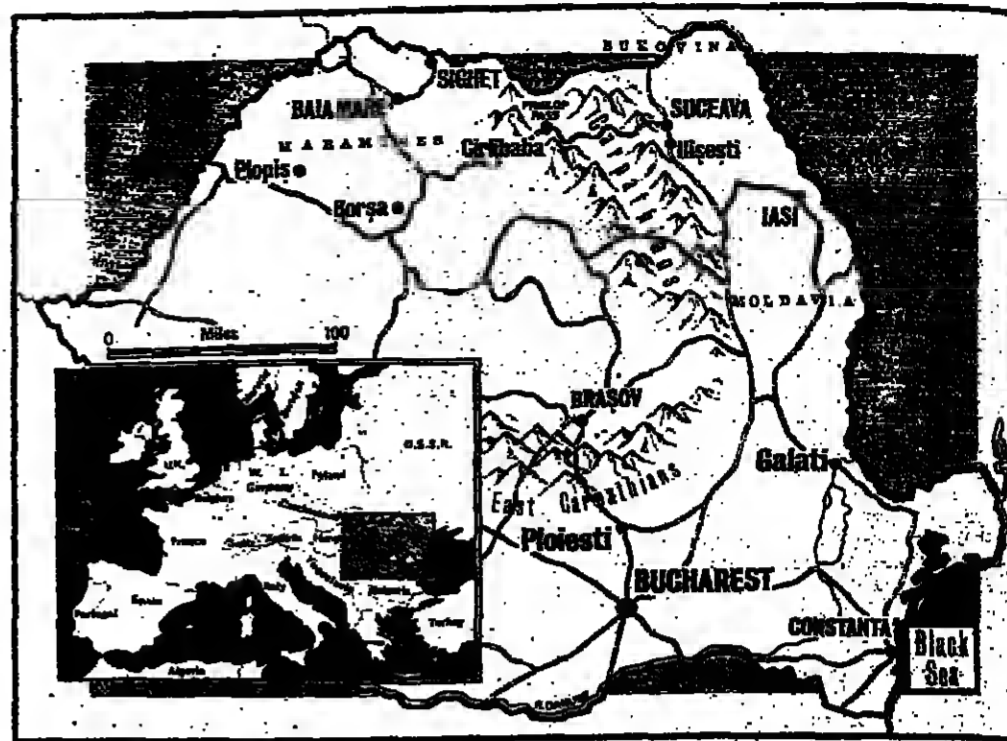
Hectic growth, however, has led to severe regional distortions. Most of industry is now located in the south, leading to overcrowding there and depletion of the north. It is one aim of the current Plan to create a better distribution of industry.

Growth rates are beginning to abate somewhat now, which is quite natural for a maturing economy. Industry, for instance, is planned to expand by 11 per cent a year, compared to the 18 per cent achieved during the last Plan. Even so, Romania stands out in Comecon for the amount of new plant and equipment it is installing at a time when other socialist countries are more concerned with reconstructing and modernising existing plant.

The volume of investments in the Plan is around 1,000bn. leu (about £10bn. a year) at the tourist rate of exchange) of which well over half will be directed into industry, with agriculture, transport and housing getting about 10 per cent each.

This marks a sharp rise in the share allocated to industry; it received just under half of all investments during the last Plan. Although industry is top priority, this policy could upset the economic equilibrium in the longer term. The failure to invest more in agriculture and transport has already produced serious problems in both these sectors: inefficiency, poor productivity, etc. The absence of a sizeable agricultural surplus for export, for example, is a striking — and remediable — weakness. There are signs of improvement here, however.

In line with the policy of accumulating rather than con-



PRINCIPAL FIVE-YEAR-PLAN INDICATORS (Annual growth-%)

	Planned 1976-80	Achieved 1971-75
National Income	11.1	11.3
Industry	11.2	13.1
Agriculture	5.3-7.6	4.6
Investment	12.9	20.5
Wages	5.4*	3.7

* Revised from 3.4-3.7.

In the first half of the year, industrial production was up 5.2 per cent against a year-end target of 12 per cent. This shows a slight lag, but clearly not enough to cause alarm. In fact, planners predict that the target will be met after all.

If the earthquake did some good, it was in boost labour efficiency. Since reconstruction began, possibly as many as a million people have been taken off bureaucratic and other non-productive work (even guard duty to the capital) and put in to factories and building sites. It is still not clear to what extent the earthquake will

David Lascelles

Foreign affairs

NOTHING COULD be more typical of Romania's foreign policy than its behaviour at the height of this summer's Euro-communist furor between Moscow and the parties of West Europe. Less than a month after the Russians aimed their broadside at the Spanish Communist leader Santiago Carrillo, President Ceausescu invited Sr. Carrillo to his summer resort on the Black Sea coast.

According to the official Romanian news agency, Agencepres, their meeting passed off in an atmosphere of "warm friendship" and Sr. Carrillo was asked to convey to his party Romania's wishes for "further successes in their activity."

A more blatant example of bear-baiting would be hard to find. Yet it was only the latest of a series of cases where Romania has taken a strongly independent line in foreign affairs.

The list is impressive for a country which shares a long border with the Soviet Union. Starting in 1965 with President Ceausescu's condemnation of the invasion of Czechoslovakia, Romania has cultivated China; it maintains relations with Israel and recently played host to the Prime Minister, Mr. Begin; it forbids the presence of Warsaw Pact troops on its territory; it has constantly fought Russian attempts to impose the Comecon secretariat with supranational powers. And most recently it has championed the right of individual Communist parties to chart their own course forward—as the Carrillo episode showed.

At the same time, Romania has edged gradually away from the Soviet orbit towards the Third World, particularly the Group of 77 (to which it now belongs) and the non-aligned movement headed by its neighbour Yugoslavia. President Ceausescu starts around the world in his Boeing 707 and has visited more countries than the rest of East Europe's heads of state put together.

It would be wrong to assert, as many people do, that Romania's foreign policy is a division of the world into military and economic blocs (the official reason being that to quit either would risk upsetting the East-West balance). But at least the more positive purpose—Romania is—and can afford to

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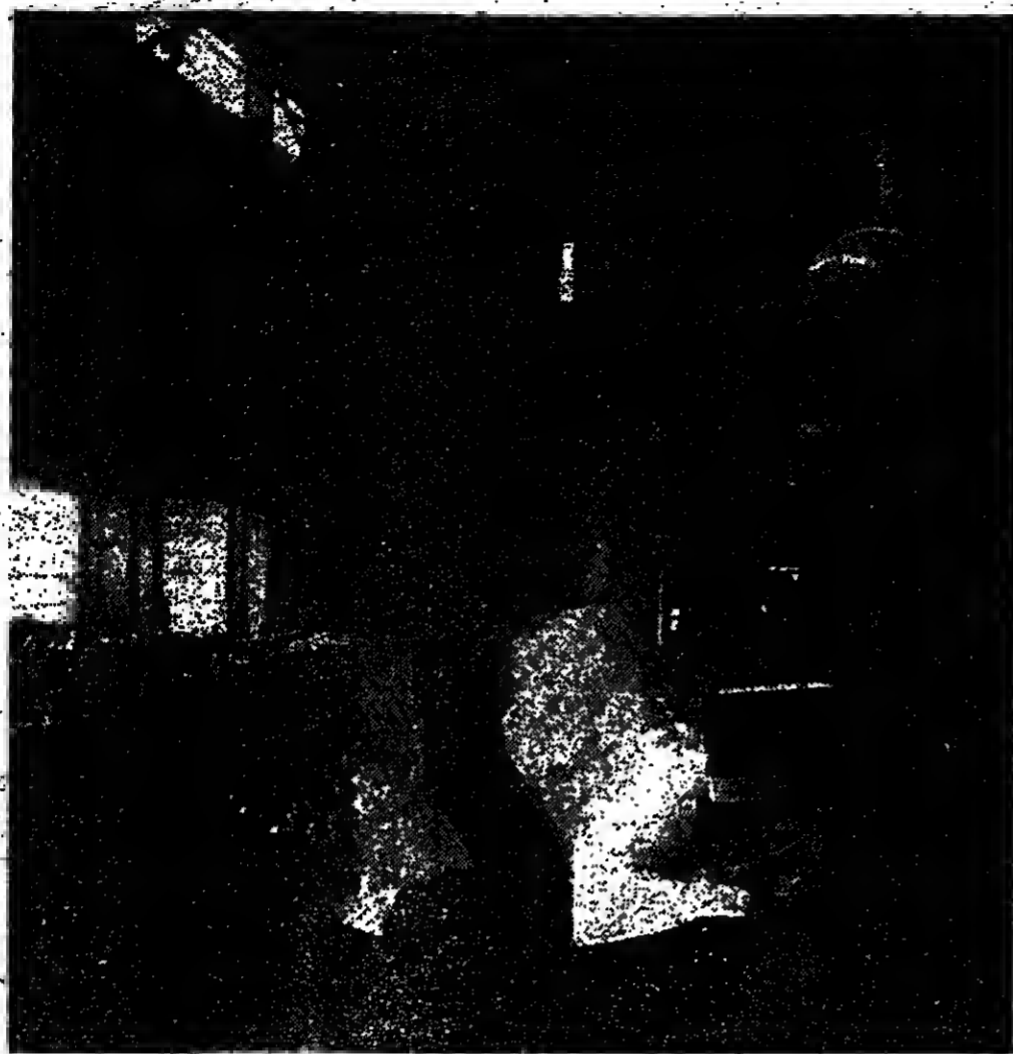
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CONTINUED ON NEXT PAGE

ROMANIA III

Growing trade with Britain

BRITISH TRADE with Romania, despite some problems created by anti-dumping measures, continues to improve and has been strengthened by the visit earlier this year by Mr. Constantin Stancu, the Deputy Foreign Trade Minister...



Steelmaking at Tirgoviste.

During these discussions the two sides identified the most promising fields for trade and co-operation, listing specific goods which could help to reach the goal of greatly increased trade volume set in 1975...

At the joint commission talks in January Romania's ambitious economic plans, disastrously set back by the recent earthquake, were illustrated by the most promising sectors identified for trade...

It has been suggested unofficially that Britain is unwilling to import goods such as textiles in reasonable quantities from Romania...

Steelmaking

Among priorities at that time Romania wanted to create 7m tons worth of new steelmaking capacity by 1980, although it is possible that major programmes such as this could be affected by the need to rebuild industry damaged in the earthquake...

However, the overall plan could be given new impetus if the proposed deal is concluded for Romania to manufacture BAC One-Eleven aircraft under licence from the British Aircraft Corporation...

However, from the point of view of British companies Romania is a strong market for technology and equipment, with the added advantage of having its industrial development plans outlined in its current Five Year Plan which concludes in 1980...

deals where they hold 51 per cent of the interest. According to the Midland survey, joint ventures of this kind (both for manufacturing and marketing) are in prospect in a number of industries...

Prospects

The level of production is also expected to rise in the country's metals industries, which produce steel, aluminium and copper. Good prospects are considered to exist here for exporters of equipment...

Although there are apparently few opportunities for exporters of consumer goods, better prospects exist for the manufacturers of equipment for producing and processing them...

The plan also provides for the production of other sorts of foodstuffs for which new plants to process local raw materials will be required, some to be built on a joint venture basis. Great interest has been shown in spinning, weaving and knitting machinery and equipment for the manufacture of garments, footwear, glassware, leather goods and household articles...

Another possible barrier to trade, the Romanians believe, is that their regard as discriminatory against some of their exports to Britain, though the anti-dumping duty imposed on polyester fibres has been lifted and no other significant restraints exist...

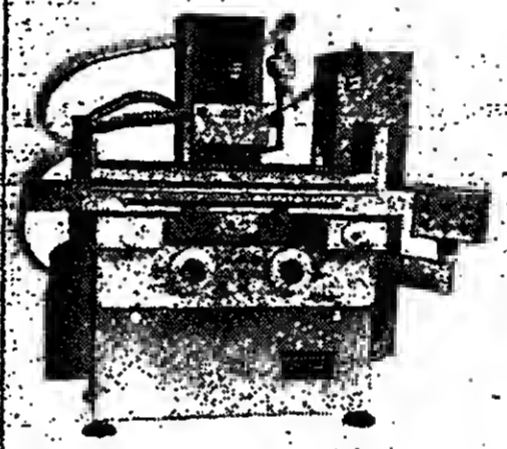
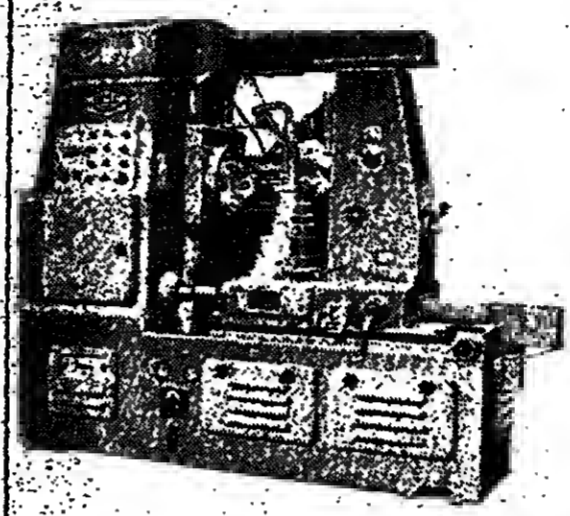
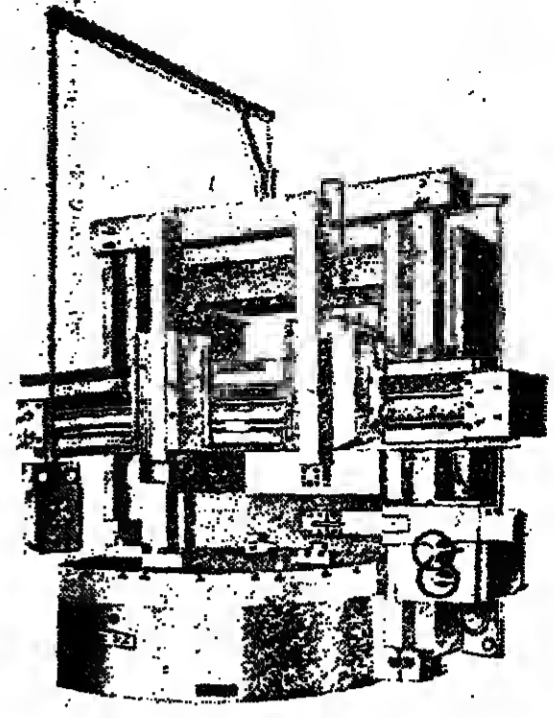
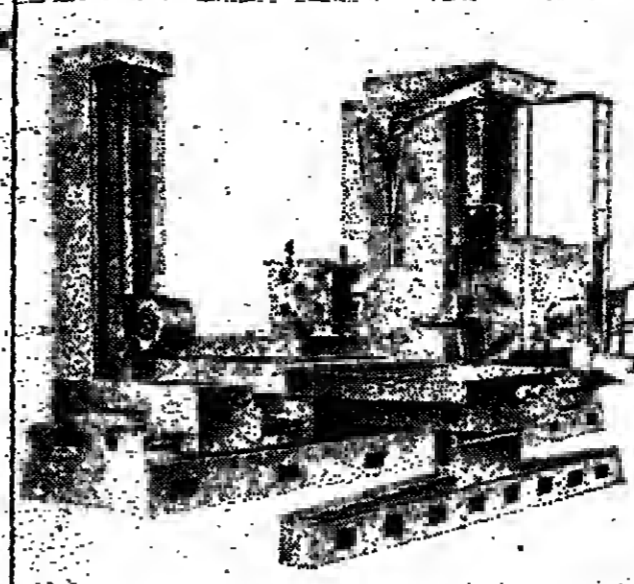
New industrial projects include the building of a petrochemical complex on the Black Sea coast to process nearly 9m tons of oil annually, the construction of a steel mill which will produce an estimated 10m tons of steel a year and will double the country's present domestic output...

Foreign

Continued from previous page. be less discriminatory in its foreign dealings than, say, the Soviet Union. Apart from opening up new avenues abroad, Romania's interest in non-alignment and Third World economics enables it to emphasise the difference between itself and the rest of the Soviet bloc...

All this politicking contrasts sharply with the relative straightforwardness of Romania's relations with the West. For one thing, the ideological parameters are fixed; for another, Romania must feel distinctly less threatened by, say, West Germany, than its northern neighbour, or even Hungary which nurses a permanent grievance about the treatment of the Hungarian minority in Transylvania...

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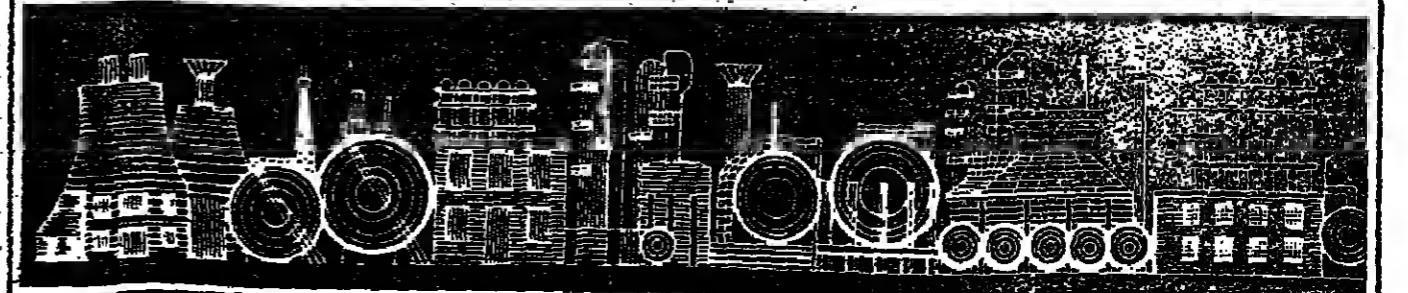
chimimportexport. BUCURESTI - ROMANIA. Logo with a globe.

- INORGANIC SUBSTANCES: Caustic Soda, Soda Ash, Sodium bicarbonate (pharmaceutical or for foodstuffs), Aluminium sulphate, Calcium carbide, Aluminium chloride (catalyst for Friedel-Crafts reaction). ORGANIC INTERMEDIARIES AND SOLVENTS: Acetone, Acrylonitrile, Phenol, Trichloroethylene, Perchloroethylene, Carbon tetrachloride, Octanol (2) (2-ethyl-hexanol), Synthetic fatty alcohols (C1-C9, C11-C14 and C15-C16 cuts), Maleic anhydride, Phthalic anhydride, Manganese and lead naphthenate, Diethyleneglycol, Monoethyleneglycol. ALKYLAMINES: Monoethylamine, Dimethylamine, Trimethylamine, Monomethylamine, Diethylamine, Mannoisopropylamine. ORGANIC ACIDS: PLASTIC AND SYNTHETIC RESINS: SYNTHETIC RUBBER-BUTADIENE STYRENE TYPE-CAROM (R) SBR 1500-1502-1507-1508-1712-1714-2220 (Polysoprene 1.4 cis). CARBON BLACK: Carbotex 50 (FEF)-Furnal (R) 300 (SFR 1)-Rebonex (R) 1 (ISAF)-Rebonex (R) IH (ISAF-HS)-Rebonex (R) H (HAF)-Rebonex (R) HS (HAF-HS).

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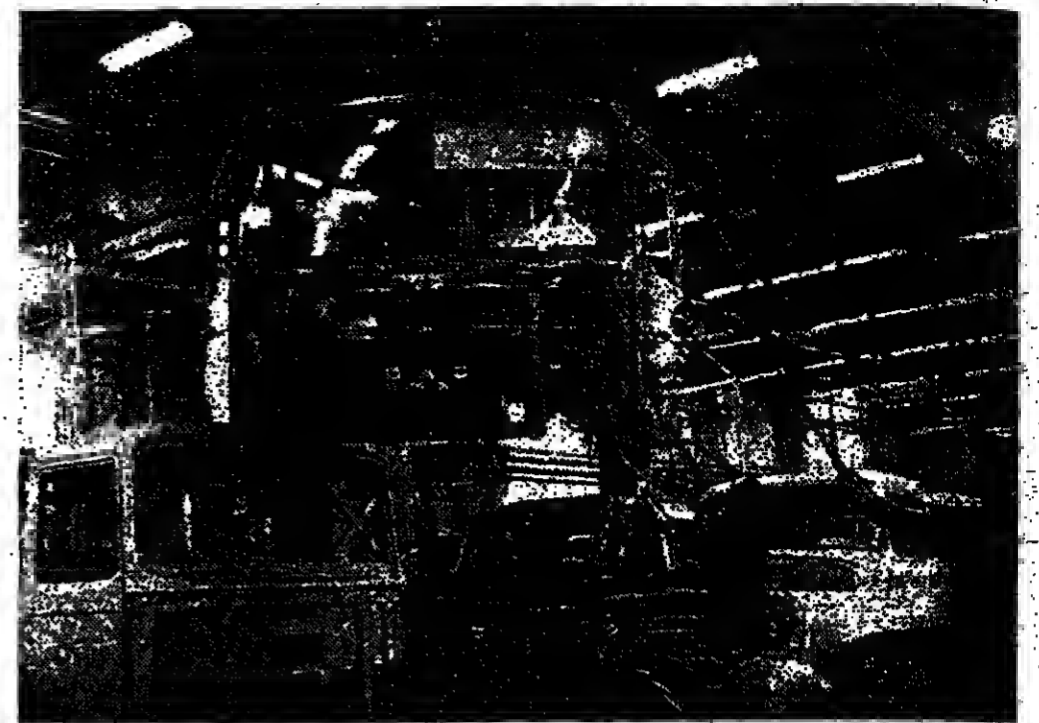


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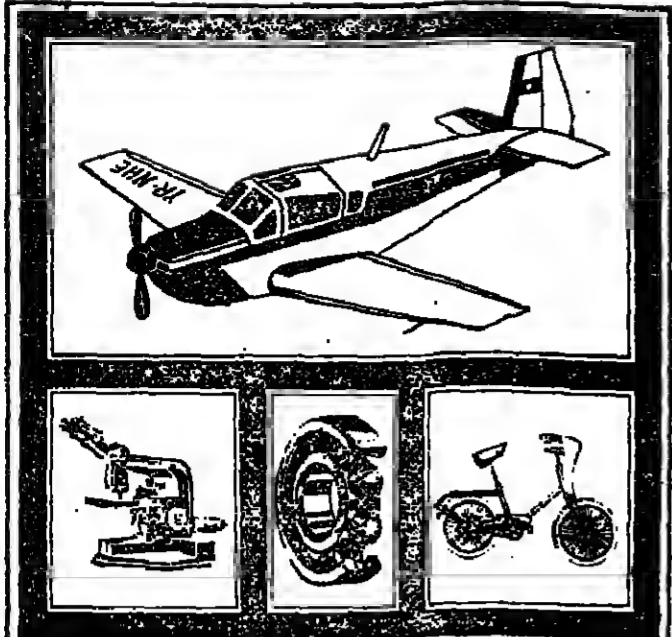


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RAPID GROWTH of industry along a broad front is the key feature of Romania's economic strategy with the aim of securing both a high degree of self-sufficiency in manufactured products, and a strong export sector. Reported growth rates are over 10 per cent a year, with considerably higher rates from the newer sectors like chemicals and electronics.

The most vivid example of Romania's ambitions is the steel industry. In the five years from 1976 to 1980, output will rise by nearly double to around 17m. tons. In per capita terms, this will be nearly twice the level of steel production in the U.K. to-day.

The largest efforts are going into the metal and metal-working industries which are well developed for a country at Romania's stage of advancement. In the transport field, for instance, there is a budding car and lorry industry, an exceptionally big locomotive and rolling stock industry, a

shipyard capable of building 150,000 tonnes, and even an aircraft industry. The main aims for this sector are to bring on those areas with a high technology content. This concerns particularly machine tools where Romania is concentrating on numerically controlled types, oil equipment (a traditional field) and equipment for the energy industry.

The vehicle industry will take a big step forward with the establishment of a joint Romanian-French company to produce a car based on Citroen technology. Romania also has ambitious plans for the aircraft industry. In co-operation with British and West German firms it wants to start producing passenger jets.

If anything sets Romanian industry apart from the rest of Comecon, it is the aircraft industry. No other member of the grouping except the Soviet Union produces aircraft larger than small trainers.

The rapid development of the shipbuilding industry at the shipyards along the Danube and on the Black Sea is connected with Romania's determination to carry as much of its overseas cargo as possible in its own bottoms. By 1990, in fact, the plan is to be totally self-reliant for maritime transport.

Another priority field is electronics, an area in which Romania has looked to the West for technology rather than relying over-heavily on the less advanced systems being developed in Comecon. Computers, laser equipment and a wide range of delicate equipment are now being put into production. Since its computer equipment is compatible with some U.S. systems, Romania hopes to develop its exports to the West.

Fastest growth rates are reserved for the chemical industry for which Romania not

only has considerable raw materials, but also a useful level of local expertise, thanks to the traditional oil and gas industries. The volume of output is expected to double during the current Five Year Plan.

Growth

Much of this growth will come from the petrochemical sector where new installations are being added as fast as the builders can put them up. Output of all major types of chemicals should expand extremely fast during the Five Year Plan, starting from a low base. The growth in synthetic rubber output, for instance, will grow threefold, for fertilisers more than twofold, yarns and fibres twofold, plastics and resins threefold.

In fact, local raw materials will be unable to meet these targets, and imports of crude oil for processing and re-export are likely to grow sharply.

Because of the constraints imposed by reserve depletion, the domestic fuel production industry is likely to remain static. Output of oil, for instance, will increase by only 100,000 tons a year, while gas production will drop slightly. There will, however, be a big effort to improve efficiency, raise recovery levels, and make fuller use of oil and gas for processing into plastics, fertilisers and so forth.

By contrast, production of coal is to rise by two-thirds by 1980 to make up for the difficulties with fossil fuels. A big effort is also going into development of hydro and nuclear power.

All in all, the effort going into the heavy industrial sector is impressive by any standard, and it suggests that within a decade or so, when the population

will be nearly 50m, Romania will be an industrial nation of some stature.

There are political reasons for this, of course. Romania wants to produce as much as it can itself; it is also motivated by a powerful sense of national pride. But it is being achieved by sacrifices, notably in the consumer goods sector.

Growth rates in light industry are, on average, well below the national average, except in one or two sectors with good export prospects, like textiles and food. This sector may also suffer somewhat from the redirection of resources after the earthquake.

The two biggest constraints on industrial development over the coming years are inadequate

building capacity and a shortage of suitable labour.

Reconstruction after the March tremors will place heavy demands on the building industry for some time to come, as well as on the already tightly stretched building materials industry. Perhaps Romania may follow the example of other Comecon countries and invite Western equipment suppliers to bring their own labour forces with them.

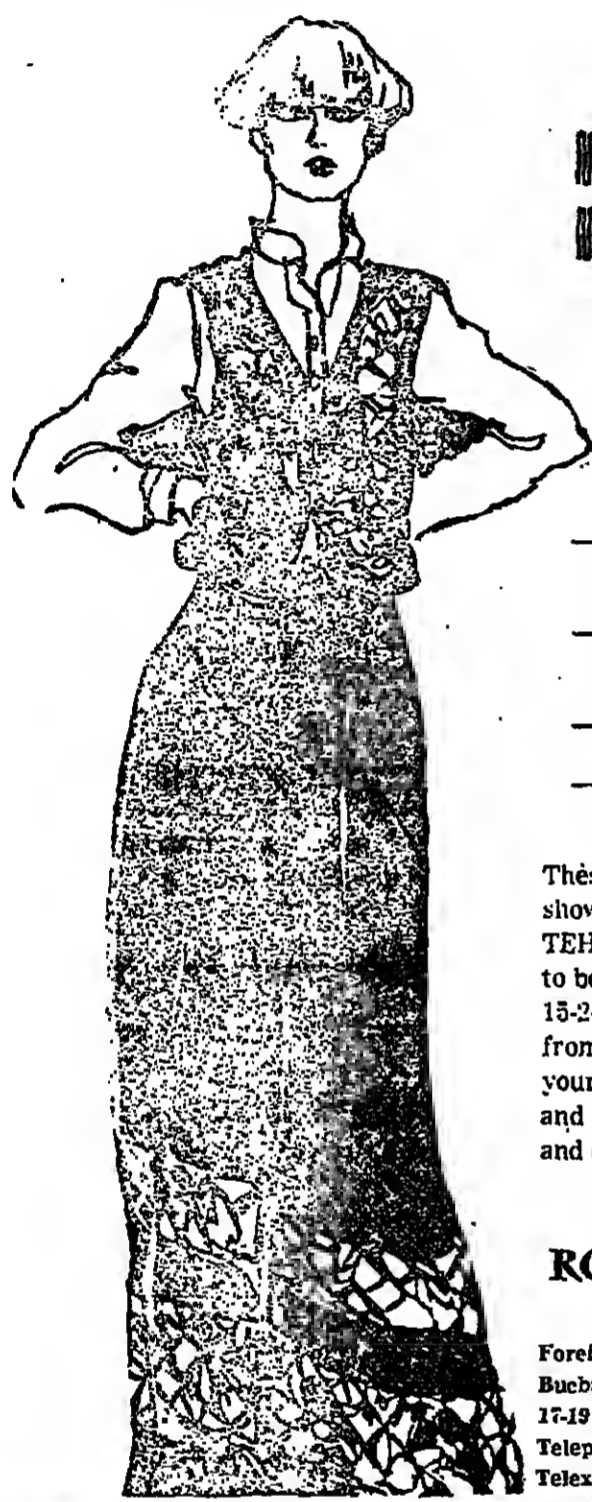
The problem of manpower is, however, more acute and deep-rooted. The urbanisation of the country's labour force is still far from complete, meaning that agriculture is hogging manpower which is badly needed in industry. On the other hand, the movement of labour up until now has been so rapid that much of the industrial labour force is still green. Skilled workers are in short supply, particularly for the high technology industries Romania is keenest to develop.

This problem is unlikely to be fully solved until 1990 at the earliest when agriculture will account for less than 15 per cent of the labour force.

Another major preoccupation is improved productivity. Fastly because of the labour problems just mentioned, partly because of the cumbersome bureaucratic system, output per worker is still far below western levels, and even in many cases, East European levels.

Industrial training will obviously help. But a large part of industrial investment is also being channelled into new, more productive processes. The fast-rising cost of raw materials and energy has also prompted a stringent anti-waste campaign. Some of this waste, however, is also due to obsolete designing which cannot be cured simply by telling a worker to be more careful.

From the Western point of view, the most interesting aspect to Romania's industrial plan is that much of it is geared to imports from the highly industrialised world. New processes and technology are being sought, capital spending is high, and the fastest rates of growth are planned for the very sectors where Western know-how is strong.



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Aircraft links with U.K.

ROMANIA'S TRADITIONAL skills in the field of aircraft engineering, which go back to the earliest days of the industry, have provided an important link with Britain and led to one of the most successful areas of co-operation between the two countries.

Many years of progressive development in aircraft collaboration culminated this year in the most ambitious joint-project of all, the possible manufacture by Romania of up to 50 BAC One-Eleven short-haul airliners under licence from the British Aircraft Corporation, now part of the nationalised British Aerospace Corporation.

Although the project is at an early stage, following the signing of an agreement in Bucharest in May, the success of earlier deals concluded by BAC has given rise to considerable optimism, and it is possible that a firm contract could be completed by the end of the year. The Bucharest signing by Mr. Allen Greenwood, deputy chairman of British Aerospace, and the Romanian Foreign Trade Ministry, was in effect a pact to proceed to a discussion of detailed contracts.

Perhaps this project should be seen in the light of earlier BAC involvement, which started in the mid-1960s with talks on possible sale to Romania of the BAC One-Eleven and a demonstration of the aircraft in Bucharest in 1967. A framework agreement to buy six aircraft was signed earlier the following year.

It is anticipated that Romania, which operates its existing One-Elevens for the State airline Tarom and its partner airline IAR, may supply the domestically built aircraft to other Eastern European countries and perhaps other Western markets. The deal a big venture for BAC may also help considerably in the development of its proposed larger, short to medium range jet, the X-11, with upwards of 120 seats.

In marketing terms the deal would have the advantage of allowing potential customers from the One-Eleven 475, perhaps depending on the sphere of influence in which they exist, to buy identical aircraft from either British or Romanian production lines.

In all, the proposed deal has to go through three stages, the first protocol which has been signed, a more detailed framework agreement which is now being worked out in discussions, and a final contract or contracts. So far no date for possible commencement to manufacture has been mentioned.

In terms of aircraft design, although the One-Eleven is new, it is a highly reliable aircraft with an enviable operating record, well suited to the needs

of Romania in the manufacture of the aircraft, and including more work on Islanders (by then Britten Norman had been taken over by the Fairey Group), the package took technical expertise a step further and closer to licence manufacture. Work on the Islander in Romania had then developed to the point where fully assembled aircraft were returned to Britain for finishing and painting. In essence, the deal had created basic manufacturing capability, which it is hoped can now be raised to a new level.

The current deal, between BAC and Grupul Aeronautic Bucuresti, the Romanian aircraft collective, is aimed at allowing eventual full production of the aircraft. Initially, it is expected that there will be joint manufacture of parts in both countries, progressively extending so that by 1985 Romania would be building complete aircraft. Rolls-Royce is also a party to the agreement.

The precise number of aircraft involved has not yet been specified, but British Aerospace believes that it could rise to as many as 50, worth several hundred millions of pounds. So far the British Aircraft Corporation has built more than 220 of the aircraft in different versions. The version now being sought by Romania is the 79 seat, short-haul 475 model, capable of taking off from rough grass and other unprepared fields.

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The new joint venture will start off by concentrating on production of the 614 short-haul airliner and its initial capital will be DM22m, of which 85 per cent will be in Romanian hands and the remainder with VFW-Fokker.

of Romania's airlines for inter-continental and short haul work. It is also significant and perhaps encouraging for BAC that a similar deal between Grupul Aeronautic Bucuresti and the Dutch-German group VFW-Fokker has been signed for the production in Romania of the VFW-Fokker 614. Signed in July, the deal is thought to be the biggest co-operation agreement ever reached between West Germany and Romania.

Agreement in principle to the deal was given by the Bonn Government in March this year. The new joint venture will start off by concentrating on production of the 614 short-haul airliner and its initial capital will be DM22m, of which 85 per cent will be in Romanian hands and the remainder with VFW-Fokker.

Plans First production plans foresee that construction of about 100 of the 614s, of which 47 are earmarked for the domestic Romanian market, and the rest going for export. Initially VFW-Fokker will deliver three 614s to Romania from its Lemwerder production line.

After that the Dutch-German partner will deliver components for assembly at an ever decreasing rate, while the Romanian plant gradually builds up its own production capability. By the time the thirty-first aircraft in the programme is in production, it is planned that all components will have been manufactured locally.

There is no doubt that the deals with BAC and VFW-Fokker have been dovetailed in order to make maximum use of production facilities and that to ensure success of such a venture detailed planning within the Romanian industry has been required, explaining the long periods over which negotiations have taken place.

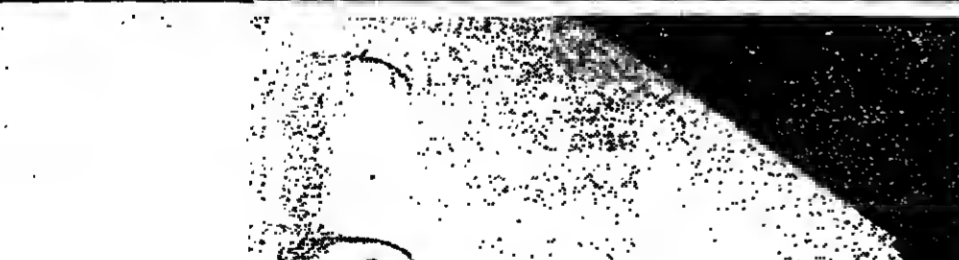
From the point of view of both the aircraft companies, it is hoped that longer term sales will be substantially boosted, particularly important in the case of VFW-Fokker, which has been disappointed so far in the orders for 614s.

In the case of the latter deal, it is difficult to put a figure on total production as production will run up to 1987, but it could be worth between DM1bn. and DM2bn., although it is likely to be nearer the higher figure.

However, it is clear that all three participants in the two deals stand to gain considerably from the expansion of production and technical expertise in Romania, which could in the longer term lead to even more ambitious aircraft programmes.

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As with the present deal, much emphasis was placed by the Romanian buying agency on the reciprocal trade needed to generate foreign currency, and an agreement was reached for the assembly of Britten Norman Islanders, making use of existing manufacturing expertise. Other offset arrangements were also made involving the sales through a third party of goods such as machine tools and ball bearings.

These aircraft were delivered between June 1968 and the end of 1969, and since then Romania has acquired more One-Elevens through the second-hand market.

Despite the complexities of this first agreement, BAC then went on to offer the longer range version of the aircraft, and a framework agreement for five was concluded at the end of 1974 and confirmed in April, 1975. This deal also included an arrangement to extend technical co-operation, providing work packages from both BAC and the engine manufacturers, Rolls-Royce.

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Banking activity likely to expand

BUCHAREST'S FINANCIAL quarter—if that's not too grand a word for it—lies in a maze of tiny streets just off Republic Boulevard. Here, within a stone's throw of each other, lie the Finance Ministry, the Foreign Trade Bank, the Foreign Trade Ministry and the Bucharest branch of Manufacturers Hanover Trust.

Of these, by far the most remarkable is the last, the only fully fledged branch— as opposed to representative office—of a Western bank to be found anywhere in Comecon. As such, it attracts swarms of foreign visitors keen for first hand information about Romania, and not a little curious to know how such an obviously capitalist plant thrives in Communist soil.

To look at, at least, the bank is prospering with thick green carpets and dark veneers providing an unmistakable Western atmosphere in contrast to the more Spartan interiors found elsewhere in Bucharest. There is also a lot of bustle which is surprising if one considers that this is not a place ordinary Romanians frequent.

Branch manager Rainer Gebhard has been there since

the beginning, in 1974, when he came as deputy manager. He says that although there were initial difficulties, the branch is now running at a profit and generally proving to be worthwhile. Exact figures are not available because the branch's turnover is integrated into New York's.

The venture was first mooted in the early 1970s when the Romanians approached several U.S. banks about opening a branch in their capital. At the time, Romania had just joined the IMF and was keen to strengthen its banking ties with the West.

MHT accepted the invitation even though it was clear that there could be problems. Communist ideology demands State monopoly of foreign exchange and banking. Yet MHT were to conduct business from a street level branch which anyone could walk into.

It was clear though that MHT had the blessing of the very highest levels in the Romanian Government, and special arrangements were made to accommodate its operation. Though forbidden to deal in the

Agreements

Much of this is connected with Romania's trade with the hard currency area. But according to Mr. Gebhard, new possibilities are on the way. MHT has already financed trade between Comecon and Yugoslavia, and he sees no reason why Western banks should not finance the fast-growing part of intra-Comecon trade that is conducted on a dollar basis. This is normally trade over and above what bilateral trade agreements provide for.

In fact it is thanks to MHT's ability to use the branch as a base for its Comecon-wide business that the branch is profitable at all. Apart from MHT, there is only one other Western bank in Bucharest, the representative office of Société Générale.

In fact Romania has so far generated considerably less banking business than most other Comecon countries. There have only been one or two Euro-loans and a slow trickle of trade finance.

The main reason for this is that Romania has managed to keep its hard currency trade in much better balance than its neighbours. In fact the deficit last year was barely \$100m, compared with, say, Bulgaria's more than half a billion. Romania's membership of the IMF has also given it access

to sources of finance which (which is non-convertible anyway, and so of no use abroad) MHT were given the services of a teller from the Romanian Bank for Foreign Trade.

He handles all currency transactions involving the leu in a way which makes them an extension of the Romanian Bank's activities rather than MHT's. But though MHT change traveller's cheques and conduct other "at the counter" business, by far the largest part of their work involves trade finance and letters of credit.

What all this means is that if Romania wanted to borrow on the Euromarket, it would probably have little difficulty raising sizeable sums on competitive terms. With a hard currency debt estimated at around \$4bn, its servicing costs would appear to amount to some 18 per cent of hard currency earnings, which is acceptable by world standards, and one of the better levels within Comecon itself.

Bankers estimating Romania's creditworthiness also point to several positive aspects about its economic prospects. It has a high level of self-sufficiency in energy and agriculture backed by a fast-broadening industrial base and a stable political structure. The main weaknesses are a badly deployed and unskilled labour force, exposure to natural disasters and an extremely slow-moving bureaucracy.

The Romanians themselves foresee a growth in their banking activity. Their Foreign Trade Bank has a part or majority interest in four foreign banks, in Cairo, Frankfurt, Paris and London, the first two opening up earlier this year.

In the longer term Romania has pledged itself to make the leu convertible as part of the conditions of IMF membership. According to the Foreign Trade Bank, this will involve building up substantial foreign exchange reserves over the next ten to 15 years with a view to introducing convertibility around 1990.

Foreign trade

FOREIGN TRADE will play an actually to give preference, to important part in enabling them. One result of this policy Romania to achieve its economic was the achievement of a near goal. The target for the growth perfect balance on Anglo-Romanian turnover is some 12 per cent. Romanian trade last year—But, a year, which is higher than as officials point out, this the target for national income, policy is not always economic, implying a growing dependence and cannot be rigidly imple on trade with the outside world.

The quest for technology is an important consideration. Much of the current industrialisation programme is based on collaboration with foreign enterprises, particularly in the West. And since Romania is now preoccupied with developing high technology industries and raising productivity, the role of western suppliers is likely to become greater still.

But Romania also sees itself as an exporting nation. That is to say, there is more to its sales drive than the desire simply to earn cash to pay for imports. Romania is keen to be involved in foreign markets. It has built up export industries like engineering, textiles and food processing, and it does a lively business importing crude oil for processing and re-export.

The emphasis it puts on co-operation in its foreign trade is also a sign of its desire for durable relationships with foreign partners in such things as joint ventures, joint marketing and mutual deliveries.

The bulk of Romania's foreign trade is with other socialist countries, but in line with its broad foreign policy it does proportionately more business with the West and the Third World than in the rest of Comecon.

Romania's fortunes on western markets have not been wholly satisfactory in the past two or three years. Although it benefits from preferential EEC measures, it has encountered serious obstacles to certain types of exports. Food and other agricultural produce must run the gauntlet of the CAP, and deliveries are therefore much lower than Romania believes they could be if trade were freed.

Dumping

The Romanians claim that few if any charges of dumping against them have actually been proved, suggesting that the motives behind the accusations were political rather than economic. They also claim that under their economic system it is impossible for an exporter to produce goods for an un-economic price. Factories have to make a profit.

Such claims are virtually impossible to check out. However, one official did say to me with feeling: "Believe me, there'd be a scandal here if a factory was found to be exporting goods at below cost."

From the Western point of view Romania is an attractive market in so far as its growth rates are high, its hard currency indebtedness low, and its demands varied. Successful Western exporters have won large orders—and not on a one-off basis. The Romanians prefer to establish a continuing relationship which leads to further business each year.

The difficulties of dealing with Romania revolve round its State foreign trade system, which can be excruciatingly slow and—for long periods—completely incommunicado. The Romanian importer will also usually insist on some kind of buy-back arrangement, or at least in the maximum local participation in a plant or equipment deal. This makes speedy and tidy deals virtually impossible.

Another difficulty is obtaining information. Trade statistics are hard to come by, and usually published only in Romanian. There is also little indication as to which of the many projects in the Five Year Plan actually stand a chance of being brought to fruition. There have been cases of Western companies negotiating for years only to be told that their project had been abandoned.

The earthquake has inevitably disrupted Romania's foreign trade activities, as much by upsetting economic plans as reducing foreign trade agencies' offices to piles of rubble. But according to the Romanians, the hiatus was brief, and normal service was resumed within a few weeks.

Exports

Textile exports have also run into dumping charges, notably in Britain, where Romania had to agree to self-restraint. There is much bitterness in Bucharest about these obstacles. Officials point out that Romania has fulfilled its duties but is not enjoying its rights as a member of the GATT.

The failure to increase exports in line with imports forced Romania to adopt a more severe import policy two years ago. This had paid off in the sense that trade with the hard currency area is now in better balance. But Romanians feel that it led to an unnecessary slowdown.

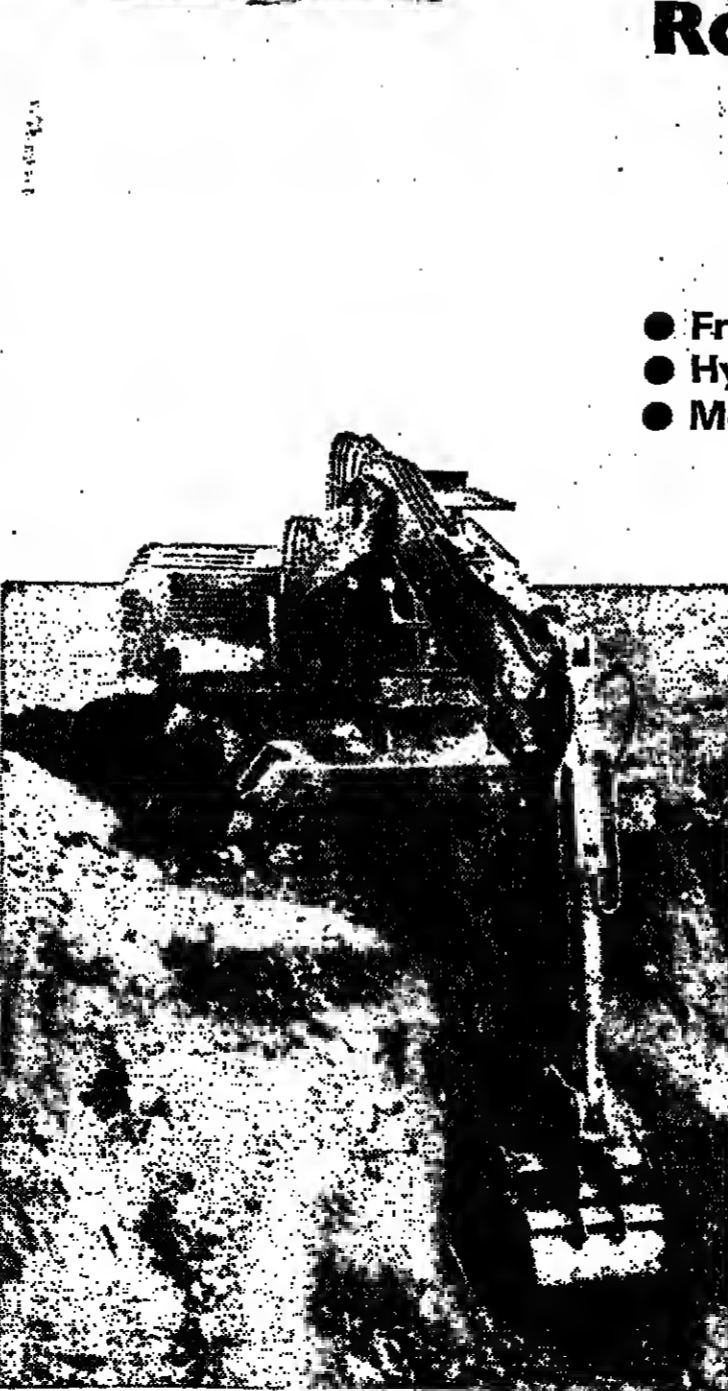
The imbalance is particularly acute with West Germany, Romania's largest western trading partner, and efforts are now being made to correct this. Romanian importers have been instructed at least to investigate alternative suppliers if not

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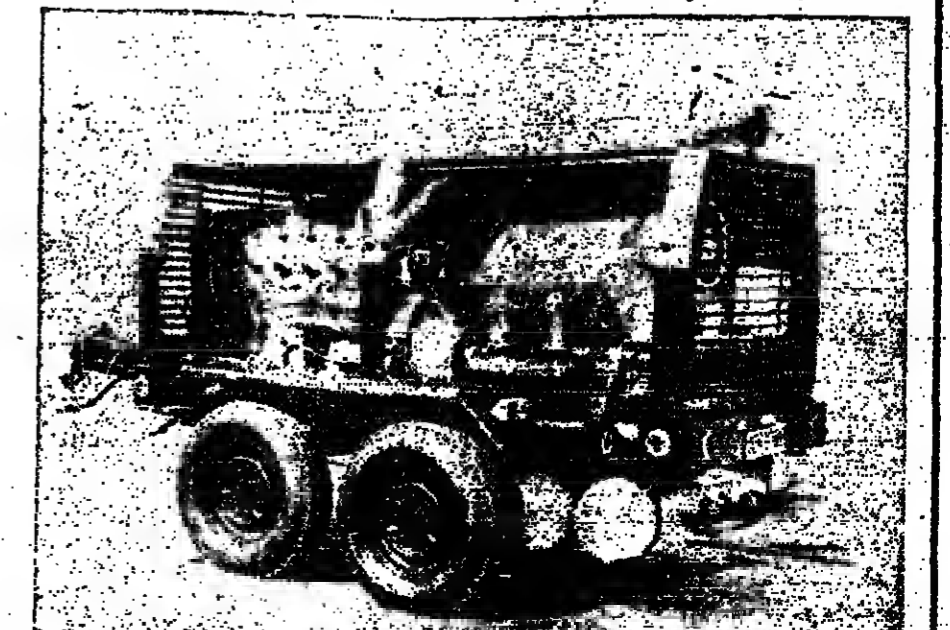
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July, 1977

ROMANIA VI

ICECOOP

Import-Export
Foreign Trade Enterprise of
Handicraft Co-operatives



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Lohn:
Jobs mainly concerning ready-mades, knitwear, footwear, leatherware.

Services:
Against payment in foreign currency for products made within the framework of the handicraft co-operatives.

Exchange of goods:
With similar foreign enterprises, organisations and firms.

Co-operation:
Co-operation in the production and sale of goods on foreign markets.

Further details available from:



Foreign Trade Enterprise of Handicraft Co-operatives,
12 Marin Serghiescu Street, Bucharest, Romania
Sector 2 Telex: 10479, Telephone: 121069

Tourist achievements

THE 50-MILE stretch of coast-line upon which Romania's tourist achievements have been based is a somewhat daunting phenomenon. From just north of the Black Sea port of Constanta to near the frontier with Bulgaria is an almost unbroken chain of resorts, most of which did not exist ten years ago. The feeling you have, as you lie on your chosen stretch of beach with 20,000 other holiday-makers, that this is a highly synthetic environment, grows stronger as you walk back through the hotels to the main coastal road. The signposts say that it is five kilometres to Venus, but only three to Jupiter; Saturn is a little further.

The decision to give the biggest of the new resorts such names was all part of the central planning that has quickly made so much of a deserted coastline of sand-dunes and forests. Those crowded beaches and the mass-tourist concept are not everyone's ideal, but the policy-makers in Bucharest have succeeded remarkably in grasping the chance they recognised back in the early 1960s.

It was realised that the neighbouring countries of eastern Europe had a growing demand for summer holidays of the sea-and-sand variety—and that the possibilities were limited. There was also the prospect of attracting tourists from Western Europe, and thus earning some desirable kinds of currency. The figures show what has been achieved: in 1960, only 100,000 foreign tourists went to Romania, of whom just a handful were from non-Communist countries; by last year, the total was 3m, including 600,000 from the West; the east for 1980 is an overall 5m, with perhaps 1m from outside the Communist Bloc.

There have been occasional upsets and failures in the development of the Black Sea littoral, but in the main there has been much to be proud of. The resorts are well laid out, with flowers everywhere. The hotels are attractive and efficiently run. Beaches are clean—and so is the sea.

The degree to which the resorts have been planned is often astounding. The Ministry of Tourism explains that each holidaymaker is assured of 12 square metres of beach, and at any one time there is room for 132,000 people to sit down to eat. The hit-or-miss, uncoordinated development to be found in such places as the Costa Brava is completely absent.

Most of the foreign visitors, especially those from the West, come on package tours and fly directly to the new international airport at Constanta. Indeed, news of the earthquake caused a setback to bookings generally in the earlier months of 1977. This was noticeably the case with bookings from Britain — which had already begun a downturn last year. Ministry of Tourism officials blame this on British economic troubles and the erstwhile weakness of sterling. For next year, the Romanians are clearly expecting to drum up further business in the two Germanys, and already German is the lingua franca on the coast.

However, it is now apparent that the coast has effectively reached saturation point, so that expansion is being sought in other areas. Much publicity has been given to the delights of the Danube Delta, with its lonely beauty and abundant wildlife. At present, the bulk of the foreign tourists who go to the delta are on trips of a few days from Bucharest, the Carpathians or the Black Sea resorts. There is also a constant flow of Soviet cruise ships. The gateway to the Delta is the town of Tulcea, which has a domestic airport and a good hotel. From Tulcea a network of riverboat services have been built up to such places as Mafinc and Crisan, which also have new hotels.

The limitation of the Delta is that the Danube has long ceased to be blue and the water is not fit for swimming. For anglers it is a revelation and for bird-watchers a paradise, but in its own right the numbers of tourists it can expect to attract would seem fairly small.

So the bulk of investment in tourism under the new plan will take place in the Carpathians and Transylvania. A new all-weather road over the mountains, rising to a height of 2,300 metres, links Wallachia with the north, and three new zones for skiing are being opened up. These are at Sinaia, Predel and Polana Brasov, where several big hotels are being completed. By 1980 there will be 10,000 beds for tourists visiting the country for winter sports. The Romanians clearly intend to follow the lead of the Poles, who have made a breakthrough with ski resorts such as Zakopane.

Finally, the country also

intends to lure more and more foreign tourists to the summer holiday centres in the north. Outstanding among these are the Dacian regions of Bukovina, Oas and Maramures. Since the beginning of the century—when much of this area was still in the Austro-Hungarian Empire—the magnificent scenery, the colourful monasteries, and wooden churches have regularly drawn a more discriminating and adventurous type of holiday-maker from distant parts of Europe. But accommodation has been limited, and it was only in the early 1970s that steps were taken to start new hotels in the north and west. In the current five-year development period, nearly 90 per cent of the 40,000 additional tourist beds will be provided at the inland centres.

Displays

At the moment, fewer of the Black Sea tourists are taking excursions to the capital itself; this is scarcely surprising, since work is still going on to repair the havoc caused by the last earthquake, and the city is not particularly attractive sight.

Effective

One very real asset which the tourist Ministry is striving to attract more Western visitors—in particular from Germany—is Romania's wealth of health spas. The country claims to possess one-third of all mineral water springs in Europe and some, such as Hercul, were renowned in Roman times. It is claimed that these spas are effective in the treatment of rheumatism and geriatric ailments; the amount of publicity they are given reflects the belief that they are a source of further currency earnings, and 10 new beds are proposed for leading spas.

In the light of so much publicity for tourist diversification in the near future, it is fair to wonder whether this will not stimulate demands for which the country is economically not ready? This suggestion is dismissed by Mr. Renato Ilescu, senior Tourism Ministry official. He says: "Although tourism brings in 6 per cent of our foreign earnings, it is not of proportion to the development of the rest of the country. Remember, 34 per cent of national income goes into industrial investment."

Farmers make up for lost time

AGRICULTURE IS in Romania only just emerging from decades of neglect due to the pressing priorities of industry. Its organisation therefore tends to be backward, the level of mechanisation lower than elsewhere in Comecon, and final output distinctly less than it should be.

However, these faults are now recognised. And although the farming sector still plays second fiddle to industry, it is enjoying a higher level of investment than before, and it is seen as a major contributor both to the rise in living standards and the export drive.

Since Romania is already virtually self-sufficient in food despite its low level of production, the long-term prospects must be judged excellent. The agriculturally useful area is large and there is demand on international markets for the produce that a country with Romania's climate can grow.

Like all Comecon countries except Poland, Romania's agriculture is in public hands, except for a few small hill farms. Although the bulk of farms are co-operative, there is a growing State farming sector, which is seen as the spearhead. State farms tend to be more efficient thanks to a higher level of mechanisation and expertise. They also act as training grounds for people who later join co-operatives.

During the current Five Year Plan, the annual growth in output is expected to be around 6 per cent, an increase on the 4.7 per cent registered in the last Plan, when floods caused serious setbacks.

This higher rate will be made possible by heavy investment in infrastructure, equipment and chemicals. The main infrastructural projects are land improvement, irrigation, and flood protection along the Danube valley where the greatest losses occurred five years ago.

On the equipment side, Romania produces its own tractors and combines, but is interested in foreign know-how when it comes to intensive animal breeding and hothouse cultivation.

The local agricultural chemical industry is geared to fertilisers, herbicides and similar chemical agents are being produced largely with outside co-operation.

In crop production, the biggest effort is going into raising the grain harvest by at least 50 per cent to achieve an annual average in the second half of this decade of 20-22m. tons. This is almost one ton per head of population, and if achieved would make Romania proportionately one of the largest grain producers in Comecon.

With a 1980 target of 23-25m. tons, the country might just have a surplus for export, depending on the level of reserves built up in previous years. So far as is known, this year's harvest will be roughly the same as last year's when it totalled 19.8m. tons, which was slightly below plan.

Another important crop is sugar beet where Romania is also on the verge of achieving a useful export surplus. Annual output is planned to average 8-9m. tons, roughly twice domestic consumption. Other crops with good export prospects like fruit, vegetables, and grapes are also due to be produced in 50 per cent greater quantity than in the last Five Year Plan.

The main weaknesses in crops is an inadequate soya bean harvest. The annual production of around 500,000 tons meets only two thirds of Romania's needs, entailing costly imports. A more solid crop production base, particularly of grain and soya, is seen as a prerequisite for rapid development of the livestock sector, which has traditionally been weak. Output of meat and animal products has consistently been below plan due to poor fodder supplies and ineffective breeding.

Although meat consumption in Romania is very low at 40 kg per head annually and could

obviously be raised by at least 50 per cent, the greatest incentive to raise production is the strength of foreign demand, even inside Comecon where meat is traded on a dollar basis.

Meat output in the Five Year Plan will rise by a third, which is a sizeable jump, but not so significant when set beside growth targets of 50 per cent or more for crops.

In the allied food industry, one of the aims is to turn meat production to better account by processing it more thoroughly and packaging it for retail sale.

The main line of development in livestock is the extension of intensive breeding techniques, particularly for poultry, pigs and cattle. Output from intensive farms already established is considerably higher than average and has justified the large investment costs.

An important sector allied to farming is timber. With its large forested areas, Romania is an important producer of wood and wood products for export.

Softwood

This year, around 4m. cu. m. of timber will be processed, and reforestation carried out on 120,000 acres. Some two thirds of Romania's standing timber consists of softwood varieties.

Along with the drive to raise output in all sectors, a key aim of agricultural policy is to improve productivity. Although farming employs a third of the population, it accounts for only one eighth of the national income and a fifth of exports.

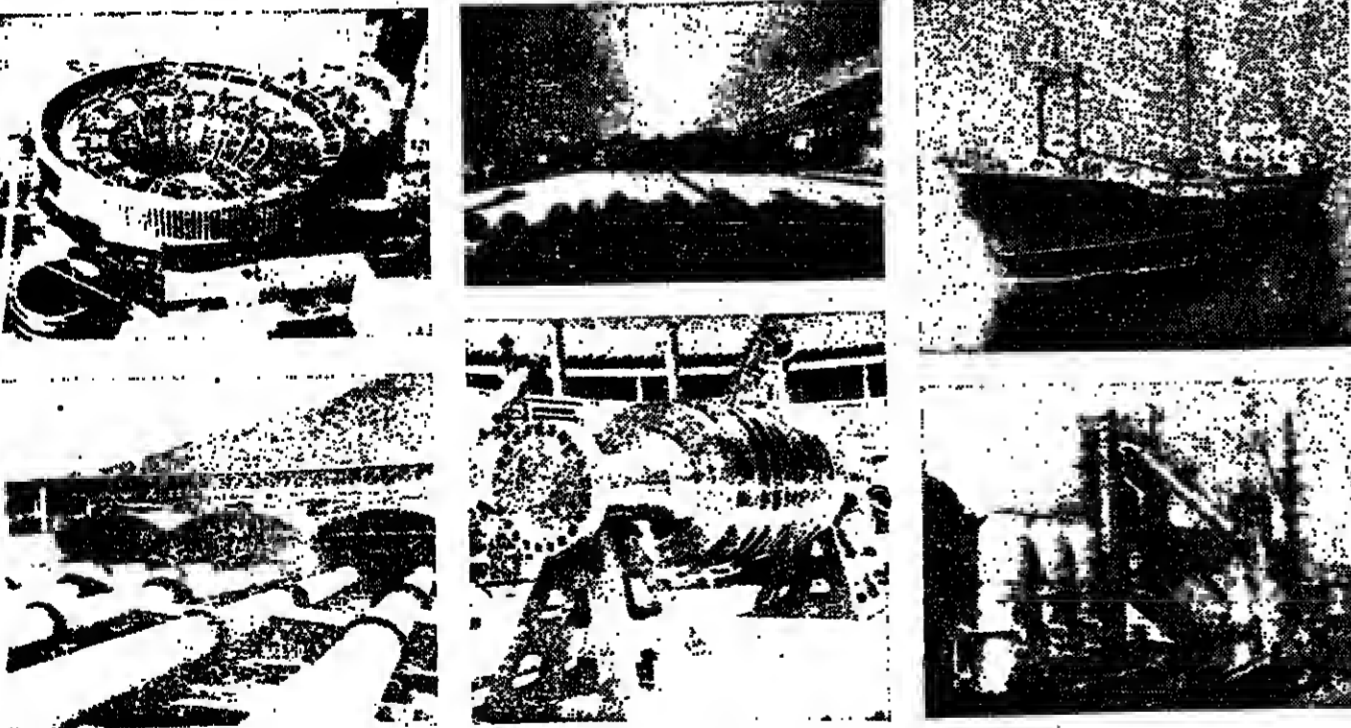
The sector is therefore under pressure to shed as much manpower as possible to relieve the undermanned industrial sectors, and these losses will be made up by more rapid deliveries of machinery and other labour-saving equipment. Needless to say, this is also changing the face of the Romanian countryside, as the villages disappear and these losses will be made more organised.

In the long-term, of course, it is very much in Romania's interest to achieve this long-delayed transformation. As neighbouring countries like Hungary and Bulgaria have shown, it is perfectly possible for socialised agriculture to put itself on a firm industrial footing and achieve levels of productivity that compare favourably with those found in the West.

Richard Hall

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- Cement lines, various individual equipment and outfits, spare parts.
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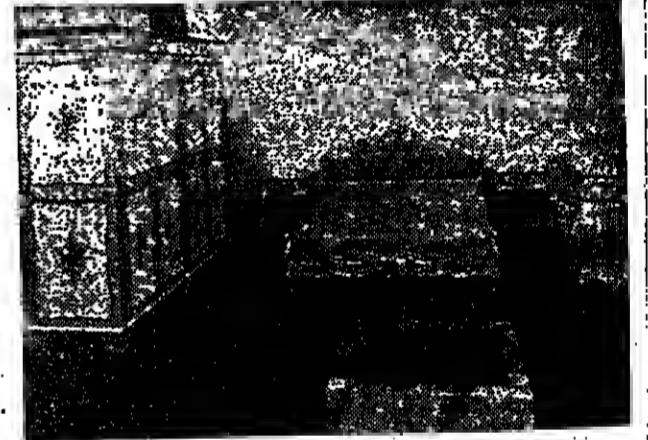
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OUTPUT OF MAIN AGRICULTURAL PRODUCTS, '000 tons

	annual average (1971-1975)	1977 plan
Grain	14,804	21,165
Sugar beet	4,757	8,480
Sunflower	760	1,109
Autumn potatoes	1,927	4,760
Field vegetables	2,549	4,110
Fruit	1,086	2,050
Grapes	1,199	1,706
Meat (live animals)	1,765	2,470.3
Cow's milk ('000 hl)	42,338	51,610
Wool (tons)	30,400	38,235
Eggs (million)	4,642	6,102

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The Management Page

Nicholas Owen looks at the fluctuating fortunes of steam railways Finance on the footplate

THE CHAIRMAN of a House of Lords Committee once declared to a group of eager railway promoters that only young boys and old men could have the lightest interest in seeing ancient steam trains running over a preserved line. His committee accordingly allowed the Central Electricity Generating Board to build a new power station near Blaenau Ffestiniog, North Wales, which in the process flooded the course of an old state-carrying railway.

How times and attitudes change. The line had been bought in a derelict condition by the Ffestiniog Railway Company in the mid-1950s with the idea of running tourist services from Blaenau and its slate quarries to Portmadoc, the nearest harbour. But a mile or so short of Blaenau, the EGB went ahead and flooded tracks to create a new lake. After 17 record-breaking years of legal argument, the CEGB had to pay a total of £106,000 by way of compensation for loss of rights to the FR. The company is always been determined to train all the way from Portmadoc to Blaenau, where the opening up of a slate quarry is expected to cost an estimated £1m. has been started in a deviation route round the EGB lake.

The Ffestiniog company's willingness to battle with commercial giants, to say nothing of the difficulties of building a new railway track, seems quite realistic now that independent railways have become such an accepted and important aspect of Britain's tourist industry in the provinces.

The period of Britain's industrial decline has been paralleled by increasing interest in our industrial history. This may help to explain why a country which has seemed to breed the most railway enthusiasts to the acre than any other, can support at present more than 40 private (mostly steam) railway installations, whether complete lines or working museums.

The question of how effectively they are managed and marketed is thus a significant one. Almost all the organisations involved rely to some extent on volunteer labour, and there is no shortage of people ready to wave a flag, dig a tunnel, or—as in the case of the Bluebell Railway in Sussex—of airline pilots keen to relax by driving steam engines around at not much more than 20 mph.

Another great boon to several lines has been the Government's job creation programme. This is seen most dramatically in the case of the Ffestiniog Railway, which deserves close examination as the busiest of the independent lines. To help with the deviation route round the power station lake, 42 men have been provided—worth under £100,000-worth of job creation. Direct financial help has also come from the Wales Tourist Board with £70,000; it has helped the FR before, one project being the 50 per cent financing of a new headquarters at Portmadoc. From the National Westminster Bank came an interest-free loan of £7,000 from its own job creation budget.

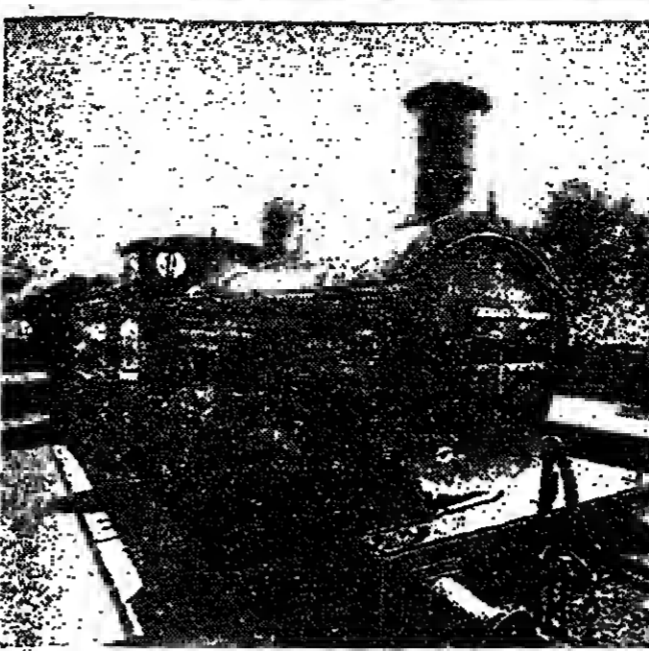
Running what is at the moment an 11½-mile line, FR turnover from rail tickets, shop and catering sales, and a British Rail ticket agency will amount this year to some £400,000. Operating expenditure is put at £229,500. On top of that will come unpredictable costs of repairs and rebuilding to the railway's 19th-century engines and the building of new coaching stock; there is the continual flow of money to deviation expenditure.

The Ffestiniog enthusiasts' society, which general manager, Allan Garraway, happily equates with a (well-behaved) football supporters' club, is 6,500 strong, which has seemed to breed the most railway enthusiasts to the acre than any other, can support at present more than 40 private (mostly steam) railway installations.

the FR one of the biggest employers in the area. Garraway is a strong-willed professional locomotive engineer, and his 22 years on the Ffestiniog make him the longest-serving independent railway manager. In an observation where he and managers else where are extremely fond of making, Garraway says he is not in charge of a bunch of "rail way enthusiasts, but of enthusiastic railwaymen." The distinction is important when a hushman has reached the size of the Ffestiniog. An example of new technology on the line has been the switch from coal to the burning of oil, much of it re-cycled. Oil was adopted to eliminate the risk of tinsed forest fires from stray sparks. The FR is now working on a similar system for the Aberystwyth-Devis Bridge line through the Vale of Rheidol, British Rail's only preserved and steam-operated narrow gauge line which has fortunately survived earlier thoughts of closure.

Garraway's point about enthusiastic railwaymen is echoed by Barry Cogar, a former supermarket manager, who is in charge of the standard gauge Dart Valley company in Devon. This set-up, in the heart of Britain's busiest holiday area, is one that has raised money by way of a public flotation. The Dart Valley line spent most of its life as a charmingly un-economic backwater of the Great Western Railway. Money to take over the Buckleigh-Totnes stretch was raised locally and from numerous railfans. Scrapyards and backyards were scoured for old GWR engines and coaches.

Then the Dart company took an ambitious leap forward. British Rail announced the closure nearby of its line from Paignton to Kingswear on the Torbay coast. The DVR moved in, paying £1m for the branch. That was the maximum sum planned to be raised when the company floated in 1972. Several issues, as with the Severn Valley Railway in Shropshire, went well with little more than pro-



A steam engine on the Bluebell line.

misses of free tickets for shareholders and vague talk of future prosperity. At least one recent issue, for the Worcester-Ailton "Watercress line," missed initial targets badly and operating proposals had to be scaled down accordingly, indicating that the railway market might have reached saturation point. But five years ago the DVR actually talked of future dividends, 3 per cent having been paid in 1971 to existing holders of £1 shares, mostly local businessmen. It all helped emphasise that this railway was headed about making profits on everything from selling rail tickets, tea towels, and the small ex-BR hotel which the company acquired at Kingswear. The issue succeeded, but life was tough for the DVR's new venture.

It is sometimes said that if independent companies can make a go of previously closed lines, why can't British Rail? The answer is that they cannot if they are faced with providing the sort of day-in-day-out service BR is obliged to offer. Devon County Council was enthusiastic about the Dart Valley's take-over of the Kingswear line and made a subsidy towards the carrying of schoolchildren. The DVR hoped that local adults could also be persuaded to forsake their cars and use the trains. But they could not, and the county council subsidy was insufficient to cover costs. The DVR learned an expensive lesson. The actual loss in the first year of Kingswear operations sounds small at £3,000 but was bared for a small company which had to lay off several of its full-time staff. Winter working was abandoned.

The Bluebell was the first standard gauge line to be preserved, and runs trains between Horsted Keynes and Sheffield Park. The Bluebell company first leased the five-and-a-half-mile line for £2,000 a year, but under a change of polity British Rail insisted on outright purchase, which meant the Bluebell, without becoming a public company, had to raise £45,000 from a mixture of takings, a 50 per cent share of the fees paid by members of the Bluebell enthusiasts' society, a special appeal fund (which produced £20,000) and a mortgage, paid off in two years.

The Bluebell has a plethora of appeals going for specific

INTERNATIONAL CONGRESS OF ACCOUNTANTS

Professional body to be worldwide

THE ORGANISATION of the accountancy profession, on a world-wide scale, took a big step forward this week, with the formation of a body called The International Federation of Accountants (IFAC) which will have a permanent headquarters and staff in New York.

The function of the IFAC will be to co-ordinate and seek to harmonise accounting developments not only across the boundaries of the rich industrialised western nations but also in Asia, Africa and South America. In doing this it will concern itself with developing minimum guidelines for the profession in such areas as auditing ethics and education. Management accounting will also receive attention.

The justification for establishing the body, appears to lie in the belief that although there are certainly enormous difficulties to be overcome, there is already a great degree of common interest to build on. For the rich western countries, for example, international accounting standards may be seen as a means of helping the under-developed countries to come into line without going through a process akin to that of re-inventing the wheel.

Shortcomings

But while the visionaries of the accounting profession work on others are more concerned with the shortcomings of their profession on a national scale. A special study of the British accountancy profession, by Mr. Michael Renshall, a Post, Marwick Mitchell partner, which is published this week, finds that the prospects of early unification of the British profession are slim.

Future

Like many things in the pragmatic world of accounting, IFAC has been formed several years after the leading accounting nations of the world found it desirable to set up another body to work out minimum international accounting standards. This organisation, the International Accounting Standards Committee, has its own headquarters in London, and has already issued seven international accounting standards. For the foreseeable future however IASC is to remain autonomous of IFAC although it seems likely in the longer term that their identities may merge.

One factor which could well prevent this happening for some time, is the fear that IFAC will become nothing more than a vehicle for peddling American accounting practices and procedures to the rest of the world. This is one of the main reasons why IFAC's first President Dr. Reinhard Goederle, a German accountant, and his deputy, Mr. Gordon Cowperthwaite, is from Canada.

It is tempting to dismiss the formation of organisations such as IFAC and IASC as being of little practical significance, to the individual accountant or company. What point it may reasonably be asked, is there in issuing so called international accounting standards when most accounting bodies have neither the status nor the resources to enforce them?

● The British accounting profession is populous, pluralistic and fragmented. At the end of 1975 there were at least ten separately identifiable registers of accountants in Great Britain and Ireland.

● The British profession differs significantly in size and structure from its opposite numbers on the continent.

● The English Institute of Chartered Accountants is more public practice orientated than any of the other bodies.

The name of the study is: *Current Issues in Accounting*; edited by Bryan Carsberg and Tony Hope; Philip Allan; hard back £9; paperback £4.50.

By Michael Lafferty

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Wednesday October 12 1977

Foreign money inflows

THE MONTHLY analysis of central Government financial transactions provides a rough advance glimpse at the course of the public sector borrowing requirement, which in turn influences the growth of the money supply and will limit (under the terms of his under-lying) the International Monetary Fund) the size of the tax cuts which the Chancellor hopes to announce shortly. So far as the latter is concerned, the general impression seems to be—no precise calculations are possible halfway through the financial year—that the PSBR is running at about £1bn. less than originally estimated and that this, therefore, is the measure of what Mr. Healey can do to stimulate the economy before next April's Budget.

The drop in the central borrowing requirement during the first six months of 1977-78 is due to a number of factors. Some of these will not affect the borrowing requirement for the public sector as a whole. But the buoyancy of tax revenue (probably due in large part to the effect of inflation) has meant that the amount paid into the consolidated fund during the first half of 1977-78 has been 16 per cent higher, against an original estimate of 12 per cent for the whole year.

Tax cuts
 To the extent that the buoyancy of the revenue and the shortfall of the PSBR is due to inflation, tax cuts to offset the effects of inflation—cuts, that is, in direct tax—are a reasonable expectation and one to which the Fund officials who will be visiting this country next month could raise little objection. Their objections will be the less since the containment of the PSBR has been one factor enabling the authorities to keep the growth of the money supply (on the broader definition) to the lower end of the target range for the year. But the growth of the money supply is not necessarily going to be so easy to control for the rest of the fiscal year.

Balancing acts in Belgrade

WHEN the Helsinki Agreement on Security and Co-operation in Europe was signed just over two years ago, many people in the West felt they had been taken for a ride by Moscow. There were widespread fears that Helsinki had formally endorsed Soviet hegemony over Eastern Europe in exchange for East bloc commitments on human rights that would never be respected. Now, as the Belgrade conference to review the Agreement gets down to brass tacks, Western opinion generally takes the view that Moscow has more cause to regret Helsinki than anyone else. Not only have the East bloc countries been forced firmly on to the defensive over their human rights records, but repressive tactics have failed to quell the new wave of dissent inspired by the Helsinki Agreement.

Delicate task
 This makes the West's task in Belgrade particularly delicate. It is true that some Eastern countries—notably Hungary—have made efforts to improve their record on human rights, as well as to ease conditions for Western businessmen under the second section of the Agreement. But others, particularly the Soviet Union and Czechoslovakia, have done little or nothing, and Western public opinion wants to be reassured that something is going to be done about it. At the review meeting, Western delegations have already shown that they have every intention of pointing out that the East bloc has violated human rights in direct contradiction to the Agreement and insisting that Helsinki commitments are meant to be taken seriously.

On the other hand, the West does not want to take such an aggressive line that it drives the Russians away from the negotiating table. In the first place, that would have serious consequences in other vital pan-European conferences on rejected Middle East peace talks, energy, transport and the environment. The proposals do not have to be swallowed whole but their closer examination could lead to fruitful new practical fields for East-West co-operation.

Carbon fibre: the tale of a "wonder material"

BY DAVID FISHLOCK, Science Editor

IN RATHER aggrieved tones, Morgan Crucible announced on Monday that it was ceasing to manufacture carbon fibre, the "wonder material" of the late 1960s, because sales remained "alow and unprofitable." It accused Government departments of failing to support what the Government itself had once heralded as a great British technological achievement; and the National Research Development Corporation, State-owned patron of innovation, of failing to defend its patents.

What has happened to make Morgan Crucible, a company whose business is making carbon products, so disillusioned with one of the strongest and stiffest materials for its weight, ever invented? Mr. Ian Weston Smith, its chairman, denies that it was the defection of its U.S. partner, the Whitaker Corporation, for whom it set up a continuous manufacturing plant in California, but which abandoned carbon fibre during the U.S. recession of the aerospace industry in the early 1970s.

Watertight patents
 Morgan Crucible, he claims, found no lack of other U.S. suitors. But they all required assurance that the NRDC patents on the material and its manufacturing process were watertight—and this the NRDC failed to demonstrate. It settled out of court with Great Lakes Carbon; and this, says Mr. Weston Smith, precipitated the present proliferation of sources.

But the other two licensees of the invention of Mr. Willie Watt and his colleagues at the Royal Aircraft Establishment show no signs of abandoning carbon fibre. These are Courtaulds, which makes the Courtaulds fibre transformed by successive heat treatments into a remarkably stiff fibre of carbon; and Bristol Composite Materials, formerly an offshoot of Rolls-Royce, but sold off after the crash of 1971.

Courtaulds has been selling carbon fibre—profitably, it claims—to sports goods manufacturers, especially in Japan, to enhance the performance of golf clubs, tennis rackets, etc., so creating premium-priced products well able to cover the high cost of the material. The company announced in February a doubling of its manufacturing capacity, to about 110 tons a year.

At the other end of the scale, Bristol Composite Materials last spring announced a joint effort with GKN to break into one of the most cost-conscious markets—motor vehicles—where weight-saving (and hence fuel economy) would be the target.

All this is a far cry, however, from the markets originally picked for carbon fibre in the late 1960s. Rolls-Royce had about 450 tons a year. On this selected it for the big fan blades of its RB211 engine. Its chief engineer, the late Mr. Adrian Lombard, planned to use several hundred pounds of the material per engine. In the form of reinforced plastics—a new kind of "composite" material. The nuclear industry was eyeing it as the perfect material for its gas centrifuges for uranium enrichment, which spin so fast that their rotors actually balloon



Sporting and industrial: Carbon fibres are used in golf clubs (left) and ski-sticks (right), while a selection of injection moulding incorporating Courtaulds' "Grafil" carbon-fibre is shown in the centre.

down to a figure where it might find a sizeable market. But — Catch-22 — market research showed that ICI could not possibly sell that much carbon fibre.

So enthusiastic were some scientists about its astonishing mechanical properties that they began to talk of its potential for upgrading whole areas of U.K. engineering design. A bill here and there would improve performance, reduce weight and size, put British engineering back in the forefront, they suggested. Could such a company as Rolls-Royce be wrong in literally designing an engine around the new material?

The idea grew apace that carbon fibre could buck the unwritten rules that govern the commercial debut of a new material, namely that it is made first in small quantities and tried out very cautiously, then "test marketed" to designers and laboratories at high prices, while they explore its strengths and weaknesses and build up their own confidence. To the innovator and the entrepreneur, this process seems exasperatingly slow. A Parliamentary select committee concluded early in 1969 that the rules could be hucked by the Government financing what

it redesigned the RB211 around the heavier blade of titanium alloy—a truly daunting task at that stage, with an engine which was already overweight.

To say that carbon fibre was beaten by birds is to miss the real lesson of new engineering materials, namely that the designer must be confident of a whole gamut of properties—strength, creep resistance, corrosion resistance, etc.—any one of which could let him down in some combination of circumstances. Engineering designers, so often accused of being un-



When the material has been evolved to meet a specific need—to fill an "ecological niche"—as Rolls-Royce used in its RB211 fan blades—it has little trouble in gaining acceptance. Most Nickle's Nimonic superalloy, invented to solve a fundamental problem of the jet engine, is an example. Turner and Newall recently announced it was allocating a £750,000 annual budget to search for substitutes for asbestos, under fire for its toxicity. If Britain chooses the advanced gas-cooled reactor for future power stations, it may well launch a search for a ceramic insulation to protect the concrete pressure vessel in place of the intricate insulation of stainless steel foil now causing so much delay in construction.

As one sympathetic Government chief scientist puts it, "the penalties of failure are too great for them to be very adventurous." The lesson he has learned is that when you design carefully enough, you find you already have a marvelous range of materials available, and you really do not need the highly-priced "exotic" materials scientists are offering.

Advanced polymers
 Unlike carbon fibre, the new ideas or inventions in materials often start as superlatives—superalloys, superplastics, superconductors, superelastics, and so on. For some reason all have failed to live up to expectations and dropped out of sight. Then begins the slow and painful process of rebuilding their reputation and gaining commercial acceptance. Pressed Steel sought to demonstrate the wonders of its superplastic alloy—a zinc alloy

more like metals. But it also means that they begin to lose their polymer properties and hence their over-riding advantage, ease of fabrication.

There's a tremendous amount of scope yet with existing polymers," says Dr. Challis confidently, "in composites for example." He cites structural foams—plastics expanded by gas—which are opening up large engineering products to polymers. Some say that within a decade foamed polymers will account for greater sales of plastics than the solid.

Altogether the engineering memory, which when heated reverts to some previously known shape. So far they have found simple applications, such as shrink-fit coupling for exhaust in aircraft hydraulic pumps, where first-class joints must be made under awkward conditions; and in cereal-packet where hot milk can transform a blob of plastic into a figure. But "memory materials" remain ideas in search of a market.

designer already has at his disposal about 75,000 materials, says Dr. Eric Duckworth, director of the Fulmer Research Institute, a fertile source of materials innovation. He has had more than his share of disappointments in trying to discover what stimulates commercial interest in new materials.

New ways of manipulating existing materials, such as reconstituting of steel—a promising method of energy-saving—are being explored more easily introduced. Rheocasting is the idea of stirring steel just at the point when it is solidifying and "sludgy," then rapidly quenching, to produce excellent mechanical properties without further heat-treatment.

Less hopeful, however, are the prospects for the still-uncovered materials in search of an application. In more general terms, the defence research programme became patron to many material inventors. In most stringer times a new mechanism seems to be hardly needed if we are to be sure that a truly original material is passed over simply because the designers are still wading in under-utilised wealth.

that could be moulded almost as easily as a plastic—by heating a Mini. But its creep strength was poor and the body work sagged. Now its reputation is being slowly rebuilt with less spectacular demonstrations aimed at the designer, such as the intricate sheet metal forming that is required in quantities too small to justify the cost of a press tool.

One of the most fascinating types of materials that have been studied in Fulmer laboratories are materials—metals and polymers—with memory, which when heated revert to some previously known shape. So far they have found simple applications, such as shrink-fit coupling for exhaust in aircraft hydraulic pumps, where first-class joints must be made under awkward conditions; and in cereal-packet where hot milk can transform a blob of plastic into a figure. But "memory materials" remain ideas in search of a market.

Specific need

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Is there an "ecological niche" somewhere for carbon fibre, bigger than sports goods? The answer is yes, almost certainly in aerospace. U.S. designers are looking eventually for military aircraft structures comprising two-thirds high-performance composites—fibre-reinforced plastics—saving about 12 per cent of the gross all-up weight. Less hopeful, however, are the prospects for the still-uncovered materials in search of an application. In more general terms, the defence research programme became patron to many material inventors. In most stringer times a new mechanism seems to be hardly needed if we are to be sure that a truly original material is passed over simply because the designers are still wading in under-utilised wealth.

MEN AND MATTERS

True blues—and blue jeans
 Not far Conservatives the frantic efforts to catch the chairman's eye which led to such bilious misunderstandings at the Labour Party conference last week. The affairs of "the People's Party" as it sardonically proclaims itself, in a slogan above the speaker's platform, are much more carefully controlled. Chairman David Sells knows exactly who is going to address us next; he even gives a little pocket biography of the impending speaker for good measure.

All of this reveals a degree of stage management whose value was amply underlined yesterday in the highly-charged debate on the closed shop in trade unions. The motion itself, with its anodyne call for "more consideration" for those who do not wish to join a union, was deliberately chosen for its blandness. But Rosemary Brown, the prospective candidate for Newham North West, who moved the motion, has a voice and delivery like La Fontanaria herself.

"I have never been so nervous in my life," she confessed to me afterwards. Nobody else in the crowded Winter Garden ballroom could have noticed. But then delegates were in an upbeat mood yesterday afternoon, after a rather fat morning of speeches in praise of enterprise, initiative, and doing good by looking after self and family first. For a start, the conference gave a rousing standing ovation to Ted Heath. He took his place on the platform between Sir Keith Joseph and James Prior, just before the debate began. He spent his luncheon at a fringe meeting of Young Conservative students, whom he told that in spite of

already received two private donations of that order.

Stage rivals
 It's Ladies week with a vengeance up here at the Winter Gardens. Apart from the redoubtable Margaret Thatcher on the platform other entertainments include Danny La Rue and the Dome of Sorky, William Douglas Home's play on the war time occupation of the island.

Cockney charity
 Probably the least likely organiser of a charity in Britain is Geoff Bradley, who is the driving force behind Research Into Child Blindness. Until 10 years ago he was an East London businessman—born in the Commercial Road and proud of it—whose main line was disposing of stocks from bankrupt companies. Then his son was born blind.

Bradley moved into the waste paper trade to finance RICE, and to-day he collects a hundred tons a week in the City and from depots around London to which housewives bring bundles of newspapers and magazines. "I don't care tuppence about ecology," he says. "Recycling means nothing to me." But from a yard that was once a stables in Islington he has raised money to back a variety of research projects into blindness at hospitals around Britain. On top of that, Bradley—who managed to dodge out of school at 13 during the war—now works one day a week as a technician on a research project into glaucoma at King's College Hospital.

Suddenly, in the past few weeks, Bradley has found his charity expanding from collecting waste into shredding confidential papers. A number of his City customers said there

were documents they could not hand over. Bradley saw the gap in the market: "It seems that nobody is in the business of hiring out shredding machines. So I've bought a couple."

One of Bradley's main helpers in such ventures is Bert Groombridge, a sub-officer from Shoreditch fire station. He spends all his spare time, holidays included, at the Islington yard, which now has a conveyor belt for paper sorting and acts as the depot for nine lorries. The charity began in a linen cupboard at Moorfields Eye Hospital and has never had a loan. Offices were built up from bits and pieces the Shoreditch firemen spotted while going about to incidents.

Bradley says: "You ask why no other charities depend on waste paper. When you see how we run our activities, maybe you can see the reason." He is right—it's certainly not the game for well-meaning amateurs.

Torrential tablets
 The Germans' air of confidence and efficiency has its price. They are "Tobleronmonster" according to someone who should know, the Health Minister, Frau Antje Hubei. Statistics she has released show that some 75 per cent of the West Germans can not get through three months at a time without taking medicines of some sort. Around 13 per cent (about 5.7m.) take at least seven different types of medicines over the same period. Another figure reflects the competitiveness and strain in German schools: 18 per cent of parents are ready to give children under 10 medicines to improve concentration. Seven per cent give their children sleeping tablets.

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Northampton has much more to offer. To find out more, write to L. Austin-Crowe, Chief Estate Surveyor to Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN or phone 0604 34734 and ask to speak to him.

Observer

Justicia

The Turkish slide into payments crisis

By DAVID TONGE in Ankara

INTRODUCING AN austerity programme generally is a thankless task but the Turkish Government's long-overdue measures have been criticised even by many whom they were intended to satisfy.

A devaluation, a tightening of credit and an increase of the price of state produced goods so as to reduce the budget deficit—last month's measures were a standard answer to domestic inflation and to a foreign exchange crisis. But both bankers and businessmen argue that they were only a small step in the right direction. "Too little and too late," has been the general response to the 10 per cent devaluation of the lira since August. One foreign banker in Istanbul argues that devaluation should have been by at least 20 per cent, that interest rates remain too low, and that major measures are needed to encourage savings.

The Governor of the central bank, Mr. Tayyar Sadiklar, estimates that stocks of 1976 crops are worth \$1bn, the main items being cotton, tobacco and wheat. A 15 per cent tax rebate granted for cotton exports has been introduced. Exports in Izmir say that the rate of devaluation should have been 30 per cent, and that it should have been coupled with the additional measures. He fears the recent change will not attract the foreign exchange held by Turkish workers into the Turkish banking system: one factory manager estimates that in Istanbul alone workers hold \$400m. in foreign exchange. Mr. Koc adds "without additional belt-tightening measures, we shall only find ourselves with our problems unsolved—but at a higher price level."

He calls for tighter credit, a check on Government spending, and the controlling of labour demands. He also complains that whereas big business is heavily taxed, the smaller and medium sized businessman is able to evade taxes. But he insists that Turkey has large stocks of agricultural products available for export (which is quite true, except that prices are unsatisfactory). In the view of Mr. Koc, the overall foreign exchange situation is "not very acute," though the additional measures he considers necessary may lead to a slowing in growth. Any such slowdown could have serious consequences since even the average annual growth of GNP by 6.8 per cent. between 1963 and 1976 failed to prevent unemployment rising above 16 per cent of the labour force.

The Secretary-General of the Turkish Industrialists' and Businessmen's Association, Mr. Gungor Uras, insists that the devaluation will not stimulate exports of manufactured goods since Turkey is a sellers' market. But he believes that the reduction of the budget deficit and the devaluation, even if inadequate, should "soon begin to help foreign funds flow into Turkey, provided there is no political interference." Like many Turks, Mr. Uras suggests

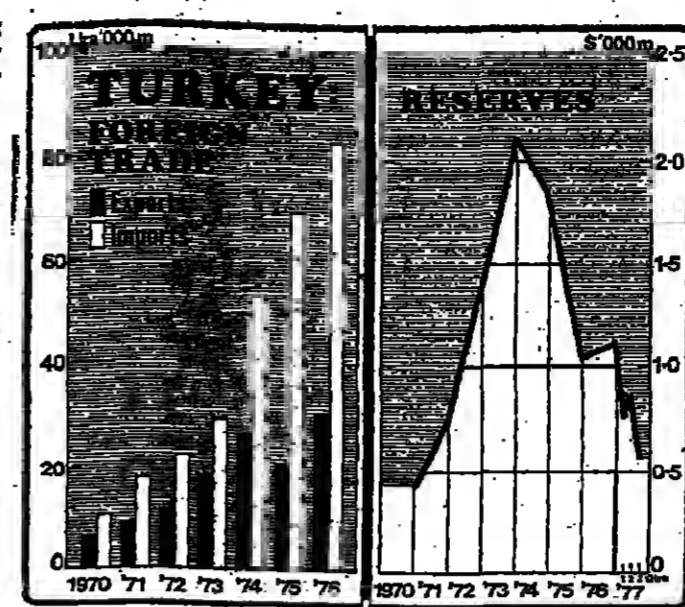
that the U.S. arms embargo imposed because of the invasion of Cyprus had subsequently turned into a financial embargo inspired by the Americans. But Western financial circles insist that throughout this year they have been waiting to see what measures are taken to tackle the growing economic crisis.

The present situation is grim. It would be merely ironic that Istanbul has run out of Turkish coffee, were coffee not the least of the products which have gone in short supply as the central bank has become unable to meet its immediate foreign exchange liabilities. The delay before foreign exchange is transferred to pay for vital imports such as oil has lengthened to around 10 weeks. For less essential imports the delay is up to 10 months.

Industrialists complain about the wave of strikes and daily power cuts and say that many factories dependent on imported raw materials are working at only half capacity. The unions stress that there are 2.4m unemployed and that the rate of inflation exceeds 80 per cent.

As Turkey's creditors watched in dismay the current account deficit in the first six months of this year jumped to \$1.7bn, more than double the figure of the same period of 1976. It was financed by running down reserves and delaying payments for imports. Between January and September 16 the figure for the official reserves of gold and foreign exchange fell from over \$1bn to \$386m. This last figure is not only equivalent to a mere six weeks' imports, but foreign bankers suggest that it means that Turkey has now the bare minimum of liquidity needed for day-to-day business.

A lag in payments has built up over the year. The best



indicator of this is the value of import deposits with the Central Bank. These deposits are made up, firstly, of compulsory deposits of up to 30 per cent of the value of some imports which importers must make prior to importing the goods. These "penalty" deposits, designed to deter importers, are refunded when the transaction is completed. Secondly, import deposits consist of Turkish lira paid into the Central Bank by importers for remittance in foreign exchange to the exporter. At the end of 1976 the total of import deposits had been the equivalent of \$697m. By mid-September it had reached \$2,016m. Foreign bankers estimate that up to 85 per cent of this total was due for remittance, though one argues that only \$300-400m of the total represents a formal legal debt of the Central Bank in that it is due on letters of credit authorised by the Central Bank itself.

The \$2bn convertible lira deposits are a further short

as being protected by the aspects of the problem. A surge in liquidity has been fuelled by the Central Bank, the large agricultural support. The shortage of foreign payments, by the Government's exchange is now beginning industrialisation programme, and by the budgetary. The military require some deficit caused by the transfers from the Treasury necessary to meet the losses of lira 3,300, being made each month by the state economic enterprises. Through these enterprises the state owns nearly one-half of Turkish industry. The Minister of Finance, Mr. Cihat Uluhan, says that in the past six months the money supply has risen by 38-40 per cent.

The measures to restrain credit have been less effective than the raising of the prices of petrol products, cement, iron, electricity, cigarettes, alcoholic drinks, and numerous basic commodities. With even the price of burials jumping, employers are the first to talk of the social unrest which could be caused by these measures. The normally moderate trades union confederation, Turk Is, is talking again of a general strike. As for the opposition, though not mobilising for action against the Government's policies, it has accused the Government of tying economic development to "a couple of words from the lips of the IMF." It has attacked the Government for making the low-income groups alone pay for the austerity. Even the President of the Republic, Admiral Fahri Kocuturk, has said of the price increases that their impact on low income groups and civil servants has been especially grave. "The Government problem is that in the two weeks since the Government raised the prices of petrol and basic commodities the average household food budget had risen by 15 per cent. At home the Government has concentrated on the monetary

Contingency fee system

From Mr. A. Carter
Sir—You report (October 7) a possibility of litigation being changed, in this country, to the contingency fee system in the U.S.

Far be it from me, a simple lawyer, to attempt to counsel Law Society but as one reads the experience of professional people, and, indeed, anyone operating in the public service in the U.S., the volume of "cocky" litigation there for trivial items is enormous. The images apt to be awarded are such magnitude that it is impossible for some professional people, for example in California, to get insurance cover even for nominal premiums.

The contingency fee system roots to the defendant can be beyond either the capacity of individual to carry or to fight against, let alone the risks of huge damages.

I cannot see any reason why lawyers should want to change the present system which, all its faults, but rarely makes significant mistakes and seems to rate far more justly. It might give in more trade for the lawyers but anything that would encourage frivolous litigation in the present atmosphere of rebellion in this country could end up many people ceasing to be able to carry on the service to public they can now give by equanimity. Doctors I have to rethink entirely their attitude to any item of claim.

A large part of the very high cost of medical care in the U.S. is directly from the contingency fee system: no doctor advises treatment that is not not only safe and certain in effects without undertaking any conceivable investigation; in court, it could be shown some obscure and expensive investigation might have influenced the advice. The sheer time involved in this routine would give the greatest difficulties to already heavily-pressured hospital Health Service.

E. Carter
Harley Street, W.1.

Letters to the Editor

reason for this is quite simply that some of the settlements have been quite fatuously large and have been gone for simply in order to increase the amount of fee that the attendant attorney would receive.

We all know of the public liability awards made in the States and that to-day nobody goes for anything less than \$1m. I do not believe that this is a system we want to see in this country and very serious reservations in the States about the continuance of this system. Indeed I have heard several times that they are intending to move away from it because of the disbenefits that it has brought to the legal profession. So I hope very much that the Law Society will bear this in mind before it changes to follow a system that has proved less than satisfactory.

M. J. Kenrick
PO Box 9, West Bromwich, West Midlands.

Readopting Mr. Scott

From the Chairman, Chelsea Conservative Association.
Sir—Nicholas Scott has now been recommended by the executive Council of the Chelsea Conservative Association for adoption as prospective Conservative candidate at the next General Election. May I therefore take an opportunity to correct certain inaccuracies in the accounts of recent events by Rupert Cornwell, your Lobby Correspondent.

I am quite unaware of any such faction. The standing selection committee of this association is composed of all the elected officers, as well as the ward and branch chairmen, young conservatives, etc. In the case of people who do not live in Chelsea, they are replaced by responsible vice-chairmen who do. It was this top committee of the association which voted 11:10 for a re-selection procedure including Mr. Scott and at least one other candidate. (Suggestions that I was after the nomination ignore the fact that

NHS finance and structure

From Mr. P. Martin.
Joe Rogaly, in his article "There is hope for the National Health Service" (October 4) reaches some conclusions which are not substantiated by the statistics he quotes. For example, he points out that because the bulk of the health service is provided by the State, British Governments can usually keep down the salaries and wages of medical personnel, at least relative to incomes of people in similar occupations abroad.

The statistics in the table however, show that public expenditure on health as a proportion of total national expenditure on health is 88 per cent in Italy (with doctors income 8.8 times average manual earnings), 84 per cent in Belgium (five times average manual earnings), and that these compare, for example, with Canada, where public expenditure is 75 per cent but doctors earn 4.8 times average manual earnings. In the U.K., the comparable figures are 88 per cent and 2.7 times manual earnings.

These figures suggest it is not only the British Government's "bulk buying" of medical services which is the cause of low salaries and differentials among doctors, but rather the particularly British way of financing the delivery of health care. This leads to what Mr. Rogaly describes as the extent to which "highly paid (?) consultants do many tasks which could be done as well by cheaper less qualified staff."

The problem

From the Editor
Plant Engineering and Maintenance
Sir—In the article by Pamela Judge (October 8) on "Publications' report called The Trade Press in Britain, it is noted among respondents in the study "that 48 per cent believe that magazines could do more to influence the ventilation of their industries' problems."

I have been trying to do this for the last 20 years and in all that time I have only met one company who would admit it had any problems! In one attempt I offered to publish problems, anonymously if necessary, and ask readers to suggest solutions. No problems were forthcoming so we set up a series of theoretical problems which drew enormous response from readers and provided some most interesting and ingenious solutions.

The reluctance on the part of companies to admit to having problems is probably part of the fanatical secrecy with which so many of them surround their activities. It is my experience that the greater the secrecy, the less there is to hide.

There is also another human trait—we are happy to learn, but we object strongly to being taught! The thought that some junior technician could teach an old company a few tricks is more than most company directors can stand!

H. R. Heap
877, Southwark Street, S.E.1.

Fatuously large settlements

From the Managing Director, Ashbold Kenrick and Sons.
Sir—I hope that Mr. Richard Why, president of the Law Society (October 7) and indeed members of the U.S. contingency fee system is under considerable review. The main

Wage awards and unemployment

summarised in the following table:

Take-All wage increases	Numbers of Firms at risk	Jobs at risk
up to 10%	18	122,745
11-20%	67	552,438
21-30%	77	969,399
160	1,644,582	

As the All-Share Index includes every major industrial and commercial firm it is representative of the private sector of the economy and each constituent firm directly and indirectly generates work, wealth and employment for smaller firms as well as for the public services and thus affects the well being of the entire national economy.

The 160 firms referred to in the table cover approximately 25 per cent of the firms comprising the All-Share Index. It is a

Businessmen

A small part of the convertible lira deposits represent transfers to Turkey by Turkish businessmen of funds they hold in foreign banks. By transferring the funds into these deposits they are able to conceal their accounts abroad but have use of their funds as well

Liberals in a squeeze

From Mr. W. Verber.
Sir—I was intrigued to find that my letter to you of October 3 brought replies from two Liberal prospective candidates.

Unfortunately, I cannot follow the reasoning of Mr. Easton (October 6). He seems to think that there is a contradiction in my two statements: (a) "That the pact was to save the Liberal Party (present); and (b) that the Liberal Party may face annihilation in the next General Election (future). The rest is a re-hash of Mr. Steel's argument.

Mr. Rix, however (October 7), really has something new to say at any rate, to say, if I understand him correctly then the Liberal Party are playing the American game of "chicken"—racing the Party at breakneck speed head on into the acknowledged "terrible" and I do hope that their opponents will break away at the last second to the refuge of proportional representation.

This is a fire and water policy that can command only respect and admiration as a great feat of the gulf as quoted by Mr. Easton. I doubt whether it was exactly what Mr. Steel had in mind or if he would have had the pluck to think it if he had, but if Mr. Rix was put up in my constituency he would get my vote.

Wiltred Verber
Verber House
Fairfield Street, Manchester.

To-day's Events

leads discussions on Morale of British Industry, 10, Belgrave Square, S.W.1, 11 a.m.

Last Christmas posting date for letters and cards by surface mail to Australia and New Zealand.

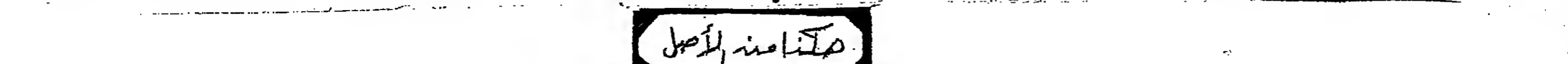
COMPANY RESULTS
Consolidated Gold Fields (full year), Empire Stores (Bradford) (half-year), News International (Holdings) (half-year), Whitmot-Brosden (Holdings) (half-year), COMPANY ANNOUNCEMENTS
Ellis and Brerard, Leicester, 12. Heywood Williams Group, Huddersfield, 11. Steinberg, Grosvenor House, W. 12. Waring and Gillow, Strand, 12. Wholesale Fittings, v. Finland, at Hull Tennis Pernod Trophy Finals, Bournemouth.

Opera

Opera
Royal Opera production of Tosca, Covent Garden, W.C.2, 7.30 p.m.

MUSIC
BBC Symphony Orchestra, Spens and Chorus, conductors Sir Adrian Boult and David Atherton, with Margaret Marshall (soprano) and Brian Rayner Cook (baritone) perform Vaughan Williams' Sinfonia Antarctica, and A Sea Symphony, Royal Festival Hall, S.E.1, 8 p.m.

SPORT
Soccer: World Cup qualifying matches: Wales v. Scotland, at Liverpool; Northern Ireland v. Holland, at Belfast; Republic of Ireland v. Bulgaria, at Dublin. Under-21 International: England v. Finland, at Hull; Tennis: Pernod Trophy Finals, Bournemouth.



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COMPANY NEWS + COMMENT

Bowthorpe sees record after £3m. so far

RECORD FULL year profits are coming for Bowthorpe Holdings after pre-tax profit rose £50,000 to £3.01m. In the June 30 half year on turnover up from £12.16m. to £18.85m.

Mr. Jack Bowthorpe, chairman, says the profit contribution from its French subsidiary Compagnie Deutsch was down due to the recession in the French economy, and is reflected in the fall in associate profits from £338,000 to £36,000.

Group profit was also affected by the cost of consolidating the electric power components division Bowthorpe EMP at Brighton. But figures do include a profit contribution from Hellerman Casettes, the previously loss-making subsidiary sold in July to Reza Zoal.

Mr. Bowthorpe says he expects the level of profit of the first half to continue in the remainder of the year which would leave results ahead of the peak £3.45m. of last year. All subsidiaries and associates, apart from Compagnie Deutsch are operating satisfactorily.

Earnings per share are ahead from 3p to 4.1p and the interim dividend is lifted from 0.67p to 0.75p net. A 1.468p total was paid last year.

The company has made no deferred tax provision as directors believe any such tax will not be payable in the foreseeable future.

INDEX TO COMPANY HIGHLIGHTS

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Lyles (S.)	24	2	Winding-up Orders	27	1

S. Lyles ahead to £744,000

SECOND-HALF PROFITS of £383,949 at carpet yarn spinners and dyers S. Lyles brings the full-year figures to June 30, 1977, ahead from £338,226 to £744,156.

At half-way, the directors were looking for at least £0.72m. at the year end when reporting a jump from £81,987 to £338,247.

The difficult trading conditions experienced by the home carpet industry during the summer months resulted in lower activity for the final period, says Mr. J. Lyles, the chairman. This also gave a slow start to the current year, but there are now signs of increasing activity and indicators are more favourable than in recent months.

Slated earnings increased from 6.14p to 10.11p per 20p share and the dividend total is lifted to 4.4678p (4p) net, costing £182,250 (£143,276), with a 2.4678p final.

Turnover advanced from £7.4m. to £10.2m, with exports contributing £3.22m. (£1.72m). After tax of £377,050 (£218,385) net profits emerged higher at £367,145 (£222,851).

Silentnight at £1.3m. halfway

BED, UPHOLSTERY and furniture maker Silentnight Holdings lifted taxable profit 11.3 per cent. to £1.3m. in the half-year to July 30, 1977 on turnover ahead from £13.45m. to £15.24m.

Profit margins were reduced from 8.6 per cent. to 7.9 per cent. Turnover rose despite a sharp fall in U.K. consumer spending, Mr. Tom Clarke, chairman, says.

He says the group has benefited from increased consumer demand since the start of the second half and final results for the year should show the group's continued progress. Last year a record £2.76m. pre-tax profit was earned.

The company is in good health and well-equipped to maintain its growth and investment programme.

Earnings per 10p share are stated at 6.25p against 5.58p and net profit of £225,000 (£258,000) is after tax of £176,000 (£205,000).

The interim dividend is boosted from 1.155p to 1.27p net. The total dividend last year was 3.6449p.

74% rise at Collett Dickenson

ADVERTISING AGENCY Collett Dickenson Pearce International advanced its taxable profit 74 per cent. to £2,921,221 in the six months to June 30.

But while steady growth is expected for the full year with trading remaining good, the directors do not expect it to reach the scale of the first-half rise. Last year a record £288,000 pre-tax profit was reported.

Directors say trading forecasts make cheerful reading and that the agency is in a healthy position.

The accounts for the full year will take account of a currently estimated £600,000 extraordinary provision against unanticipated tax claims, including associated liabilities and expenses.

It relates substantially to payments from overseas subsidiaries before December 31, 1974, and directors say the company has adequate resources to meet any such claim.

The first-half advance came from increased business with substantial growth in the company's London office with additional business generated from existing clients in other parts of the U.K. Flat, Cluzano and Domes's.

The London growth has meant the U.K. operation has outgrown its accommodation and the company will, this month, move to new premises in Euston Road.

The higher running costs and the overlap with existing premises will be reflected in the second half.

An existing market has been sub-led at a profit and the company is negotiating to sell its leasehold interest. It is expected to yield £450,000 before tax.

The pre-tax profit before tax of £334,456 (£208,614) leaving net profit at £208,165 (£105,505). Last year's result was further reduced by a £7,000 minority interest.

The interim dividend is lifted from 1.5656p to 2.31p net. A total 2.925p was paid for 1976.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corrs. of spooling	Total last year	Total for year
Alifund	Int 3p	Nov. 25	3p	—	7.2
Associated Biscuit	Int 1.5	Jan. 3	1.23	—	2.88
Bowthorpe Holdings	Int 0.75	Dec. 15	0.67	—	1.46
BPM	Int 2.15	Dec. 19	2.13	—	2.86
Collett Dickenson	Int 1.58	Nov. 23	1.38	—	2.93
Farnell Electronics	Int 2.31	Nov. 25	1.99	—	3.82
James Halstead	Int 0.33	Dec. 28	0.33	—	0.33
Hewden-Stuart	Int 0.428	Dec. 28	0.38*	—	1.43*
S. Lyles	Int 2.47	Jan. 3	3	—	4.47
Ruberoid	Int 0.7	Nov. 29	0.7	—	2.04
Scottish Met. Prop.	Int 1.08	Jan. 9	0.94	—	1.94
Senior Engng.	Int 0.85	Nov. 25	0.82	—	1.65
Silentnight Holdings Int	Int 1.27	—	1.18	—	3.85
Swan Hunter Group	Int 3.89	Dec. 6	2.91	10.19	5.91
Utd. Real Property	Int 3.91	Nov. 17	1.91	5.15	4.63
Western Bros.	Int Nil	—	2.07	—	5.21

Barr & Arnold headway

IN THE first seven months of 1977 taxable profit of Barr and Wallace Arnold Trust expanded from £284,008 to £302,000, after interest expenses and other income totalling £60,815 against £85,694.

Profit for the last full year was £1.1m.

After tax for the seven months of £305,000 compared with £320,000 the net balance emerged up from £248,008 to £400,390.

The company has interests in major operations, car sales and computer bureaux.

Yearlings dip to 6 1/4%

The coupon rate on this week's issue of local authority yearling bonds has eased a further 1/4 point to 6 1/4 per cent. while issue prices are 129 1/2 p.

This week's issues are: London Borough of Barking (£1m.); London Borough of Camden (£1m.); Borough of Thamesdown (£1m.); Birmingham District Council (£1m.); City of Dumfries District Council (£1m.); Borough of Cynon Valley (£1m.); Warwickshire County Council (£1m.); Metropolitan Borough of Wigan (£1m.); West Dorset District Council (£1m.); Colchester Borough Council (£1m.); North West District Council (£1m.); Preston District Council (£1m.);

Two-year bonds, carrying a coupon of 7 1/2 per cent. and due on October 10, 1979 are issued at par by: Borough of Broxbourne (£1m.); London Borough of Greenwich (£1m.); North West District Council (£1m.); London Borough of Hammersmith (£1m.); and Croydon Borough Council (£1m.).

ISSUE NEWS AND COMMENT

Listing for Berry Pacific (Sterling)

Berry Pacific (Sterling) Fund amounting to approximately 22.5 has applied for a listing of its per cent.

Participating Redeemable Preference shares of 1p each. The fund is a feeder for the quoted Berry Pacific Fund which is invested principally in the Japanese market.

The sterling fund was incorporated in Jersey last August as an open-ended investment company to provide U.K. residents with a medium through which they can invest in the Berry Pacific Fund without borrowing foreign currency or going through the premium market.

Formerly the feeder fund had been based in Bermuda, but pressure from the Bank of England encouraged the managers to move its base to Jersey. Under current U.K. legislation the existence of the Bermuda fund provided an impossible loophole for investors to emigrate and sell their holdings in dollars. The managers attempted to move the share register alone to Jersey, but this was impossible under Bermuda law, hence the formation of the new Jersey company which has acquired the £7.2m. assets of Berry Bermuda.

At September 28 the new company held 312,500 shares in Berry Pacific representing 65.3 per cent. of the aggregate market value of the total investments and cash held at that date. The company's stake in Berry Pacific Fund

Comment

Judging by the past performance of feeder funds which have obtained London listings the quotation for Berry Pacific (Sterling) is hardly likely to be a great deal of activity by investors. In fact, the listing is almost a secondary factor in the attempt to move the company's base register to Jersey, but this was impossible under Bermuda law, hence the formation of the new Jersey company which has acquired the £7.2m. assets of Berry Bermuda.

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Warner HOLIDAYS

Mr. Bill Warner, chairman of Warner Holidays told members of the AGM that the season just ended had been a most successful one for the company and be forecast a substantial increase in profits for the current year.

Wettern Bros. runs into loss

Distributors and manufacturers of construction materials Wettern Brothers incurred a loss of £90,700 in the half year ended June 30, 1977, and is not paying an interim dividend. Preference dividends continue to be paid.

In the corresponding period of 1976 the company made a profit of £73,700, and this reached £155,000 by the year end. The interim dividend was 2.0671p and was followed by a final of 1.4577p.

Chairman Mr. L. Wettern says a severe loss was incurred in most of the distribution division. The wholesaling section has not secured the business planned and the builders' merchants have encountered exceptional difficulties in advertising, market conditions. However, Opacto Ceramics continues to make profits.

A further loss is anticipated in the second half but it is expected to be smaller than the first.

Wettern Electric has not yet contributed although good progress has been made in overseas markets and some small but significant orders have been received at home. It is anticipated that this progress will be maintained. The Welsh Development Agency has agreed to participate in the operation.

In the face of reduced activity in the construction field the manufacturing and trading divisions have both made satisfactory contributions and are maintaining their positions.

Strong & Fisher confident

Although the policy of consolidation at Strong and Fisher (Holdings) is far from completed, Mr. S. D. G. Davies, chairman, says he is confident that the group will continue to progress and that results for the current year will be satisfactory.

The autumn trade is now underway and the group's strategy of increasing production coincides with the fashion demand of the coming year. Due to recent unrealistic prices of domestic raw materials, the feltmongeries have operated below capacity over the past four months but the chairman is hopeful that the situation is now self-correcting.

In the year ended May 31, 1977 group pre-tax profits increased by 28 per cent. to £1.8m. The group has made full provision for the lower value of raw materials, particularly hides and wool, at

Glass cuts Ruberoid midterm

SERIOUS LOSSES from its glass tissue operation have cut pre-tax profit of building products group Ruberoid from £281,000 to £159,000 in the 26 weeks to July 3.

The operation incurred losses of £312,000 in the period and Mr. Thomas Kenny, chairman, says this was attributable to abnormal increases in the cost of raw materials which have yet to be recovered in export prices, and problems with the machine. This

Farnell nearly doubled

ON TURNOVER ahead £2.25m. at Farnell Electronics, the group's taxable profit for the half year to July 31, 1977, before tax of £388,732 against £200,742.

First-half stated earnings are up at 8.5p (5.8p) per 20p share and the interim dividend is raised from 1.9822p to 2.31p net. Capital increased by the April 1977, one-for-four rights issue, then a total of 6.5p was forecast for the current year. For all 1977, payments totalled £3,818p.

Earnings per 10p share are

Halstead drops to £196,590

TAXABLE PROFITS of vinyl flooring and waterproof clothing group James Halstead (Holdings) dropped from £217,023 to £196,590 in the June 30 year, despite turnover rising £3m. to £15.46m.

But, tax credits of £108,804 against a tax charge of £194,700 last year leave the net balance well ahead at £305,494 compared with £182,223 for 1976.

The tax credit relates mainly to relief for unutilised trading losses provided in the accounts and deducted from the balance of deferred tax. No provision has been made for corporation tax deferred in respect of stock appreciation relief.

Extraordinary items total £54,897 (£1,238) and stem primarily from a provision for terminal losses in South Africa which is no longer required.

Farnell nearly doubled

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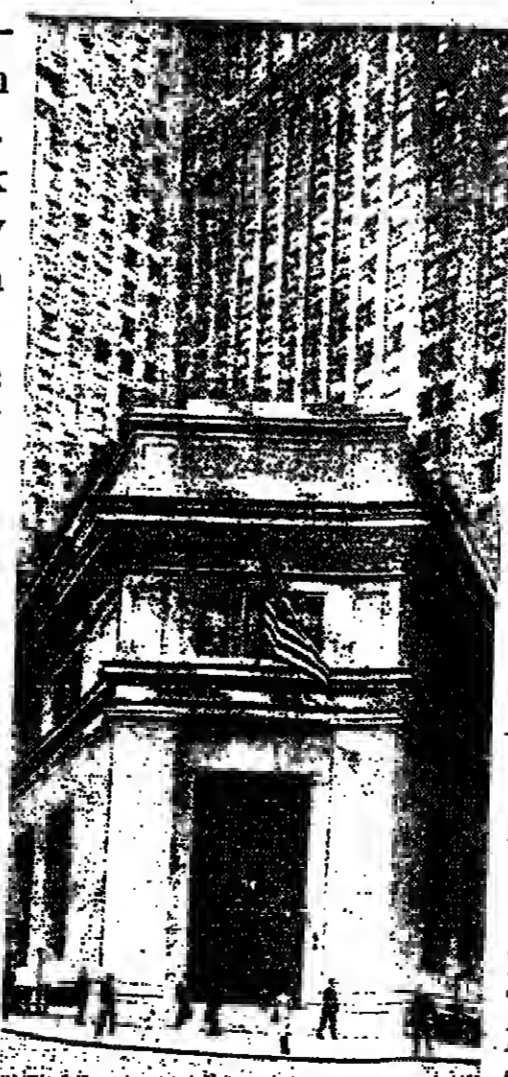
A group of Morgan's internationally-based Financial Services specialists at a meeting in New York. Clockwise from left, John Sands, New York, head of the department; Lucile de Baudry, Paris; Frank Beelitz and Gianni Ragazzi, Frankfurt; Marc Varangot, São Paulo; Michael Allen, London; Keith McDermott, London and the Middle East.

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- Sir Kenneth Humphreys
- S. C. G. Macintosh
- D. R. Zaidler, C.B.E.
- F. F. Espie, O.B.E.
- D. W. Stride (Managing Director)
- David Dobbin (General Manager—Banking)
- T. Marcus Clark (General Manager—Subsidiaries and Affiliates)

Consolidated Balance Sheet as at 30th June, 1977 (Abridged)

LIABILITIES		ASSETS	
	£'000		£'000
Authorised Capital—		Cash, Bullion, Notes and Cash at Banks	54,308
300,000 Preference Shares of \$20 each	6,000	Money at Short Call Overseas	5,158
94,000,000 Ordinary Shares of \$1 each	94,000	Australian Public Securities—	
	100,000	(a) Commonwealth and States	351,876
Issued and Fully Paid Capital—		(b) Local and Semi-Governmental Authorities	241,025
211,735 Preference Stock Units of \$20 each	4,235	Other Public Securities	36,728
49,589,768 Ordinary Stock Units of \$1 each	49,590	Other Securities	32,955
Paid-up Capital	53,825	Loans to Authorised Dealers in the Short Term	80
Reserve Funds (used in the business of the Group)	55,275	Statutory Reserve Deposit Account with Reserve Bank of Australia	241,000
Balance of Profit and Loss Account	148,701	Term Loan Fund and Farm Development Loan Fund	629
Total Stockholders' Funds	148,701	Accounts with Reserve Bank of Australia	629
Minority Interest of outside Preference Shareholders in Subsidiary Company	1,906	Cheques and Bills of Other Banks and Banks with and due from Other Banks	270,236
Final Dividends proposed payable October, 1977	4,052	Loans, Advances and Bills Discounted (after deducting provisions for debts considered bad or doubtful)	1,890,892
Balances due to Other Banks	485,548	Amounts due and to mature under Hire Purchase, Leasing, Development Projects and other contracts entered into by Subsidiary Companies	698,442
Borrowings by Subsidiary Company—Borrowing Corporation	568,573	Bank and Other Premises, Furniture and Sites	110,306
Current Liabilities—Non-Banking	166,444	Bills Receivable and Remittances in Transit	60,628
Long Term Liabilities—Non-Banking	2,980	Current Assets—Non-Banking	41,891
Deposits, Bills Payable and all other Banking Liabilities including Bank Acceptances and Provision for Contingencies	2,893,978	All Other Assets	252,801
	4,292,244	Contingent Assets including Liabilities of Customers and Others on Letters of Credit, Guarantees, Forward Exchange Contracts, etc., at per contra	810,202
Contingent Liabilities on Letters of Credit, Guarantees, Forward Exchange Contracts and Other Engagements	810,202		5,063,646
	5,063,646		

Consolidated Profit and Loss Statement (Abridged) for the Year ended 30th June, 1977

	£'000
Group Net Operating Profit for year	20,804
Add Extraordinary Items	283
Group Net Profit for year (after Extraordinary Items)	21,187
Add Retained Profits at 30th June, 1976	29,728
	50,915
Less Transfers to Reserve Funds	2,067
Dividends—Interim paid March, 1977	4,051
—Final proposed payable October, 1977	4,052
Preference Dividends paid to outside Shareholders of Subsidiary Company	128
	10,318
Retained Profits (Group) carried forward	40,597

The Annual Report containing the Notice of Annual General Meeting, Accounts, Directors' Report, Auditors' Report, etc., has been posted to Stockholders.

Senior Eng. six months progress

TAXABLE PROFITS for the first six months of 1977 at Senior Engineering Group rose from £2,207,000 to £2,816,000, on turnover up £3.3m. at £26.44m.

The short term outlook continues to be difficult, say the directors, and although they hesitate to predict the outcome for the full year, they are concentrating their efforts to improve the efficiency and profits of the manufacturing units. For 1976, the company achieved a record £4.7m. surplus.

Half year earnings are given as 1.89p (1.44p) per 10p share and the interim dividend lifted from 0.825p to 0.885p net with an additional 0.006p to be paid for 1976 due to ACT reduction. The directors also propose to recommend a 0.885p final making the maximum permitted total—last year's final was 0.825p.

Trading conditions in the first half were difficult, the directors add, while the continuing recession in the U.K. and the low demand throughout the world, particularly for steel products, has resulted in an erosion of profit margins in some areas of the company's business.

After a net of £1.58m. (£1.5m.) and a minority loss of £0.1m. attributable for the period emerged higher at £1.26m. (£1.05m.).

The real key to Senior's performance at present is the growth since the second half of last year. Compared with that period trading profits have risen only 6 per cent, and after somewhat higher interest charges this reduces to only 4.8 per cent. at the pre-tax level. The six new acquisitions are too small to have had much impact, though they have apparently performed satisfactorily. So the performance reflects the difficult conditions in steel tube and light engineering, which most have taken the brunt of the 2 point downturn in margins. The year is also likely to be set but the group could be capable of doubling first half profits. This would leave the shares at 25p looking fairly unexciting on a 7 per cent. yield and a p/e of 7.5.

Scottish Metropolitan expands

NET REVENUE from properties and investments advanced from £2.68m. to £3m. at Scottish Metropolitan Property Company and pre-tax profits expanded from £947,870 to £1,112,895 for the year ended August 15, 1977. At midday, when reporting a surplus of £507,516 against £441,735, the directors were confident of a further increase for the full year.

With increases in rental income due from recent lettings, completed developments and further property investments, the directors are now confident that the revenue and profits for 1977-78, will exceed those of the reported year.

A one-for-10 scrip issue is proposed. Stated earnings are given as 2.65p (2.58p) per 20p share and a final dividend of 1.0434p raises the total to 3.6934p (3.6234p) absorbing £27,124 (£27,963)—the directors anticipate the same rate of dividend for the current year, on the increased capital.

Additions to gross properties during the year amounted to £1,111,489 and the book value of disposals was £523,254. The book value of group properties at August 15, 1977, amounted to £43,723,778 (£43,265,544) and the balance sheet totals for group share capital and reserves amounted to £23,364,138 (£23,296,007).

The directors have instructed Bernard Thorpe and Partners to proceed with a revaluation of the group's properties, the effective date being February 15, 1978. When this valuation is available, the amount will be announced and thereafter will be included in the 1977-78 accounts.

	1976-7	1977-8
Net prop. revenue	2,682,682	3,026,481
Inv. inc. and red.	419,867	291,036
Interest exp.	1,738,784	1,547,472
Management expenses	182,995	261,217
Except credits	1,232,239	23,089
Pre-tax profit	1,332,641	1,689,849
Tax	320,970	128,919
Extraord. deb't	117,600	131,728
Group reserves	777,992	700,292
Available	777,992	700,292
After deducting prior year credit	577,206	

Monument Secs. plans to sell properties

To help reduce bank borrowing by about £100,000 Monument Securities expect shortly to dispose of its properties. The resultant drop in interest charges, together with satisfactory trading results, should enable the company to show a further improvement in profit by March 1978, members are told.

Continuing asset improvement and property disposals will reduce bank borrowings to a level where, in the near future, the company should hopefully be in a position to return to paying a satisfactory dividend, says the chairman in his annual statement.

As reported on September 30, taxable profit for the year to date, after 1977, jumped from £17,883 to £124,896 on turnover ahead at £2.65m. (£1.67m.). The last dividend to be paid was 0.8085p net per 10p share for 1973/74.

First half turnaround at BMA

A £810,000 turnaround in results is reported by British Midland Airways for June 30, 1977, half year with £111,000 profits against a £499,000 loss last time.

Mr. A. R. G. McGibbon, chairman, says it is gratifying to report the reversal from the normal seasonal first half loss. But he points out that it is to a considerable extent the result of exceptional non-recurring factors, and it should not be assumed that a new pattern has been established. Indications are that a satisfactory profit will be achieved in the second half of the year.

BMA is a subsidiary of Minster Assets and the profit came after an almost £1m. net in turnover from £7.85m. to £10.82m. In the last full year taxable profit was £90,000 including a £43,000 profit from the sale of a lease.

Downturn overseas holds back ABM midway

WITH AN advance of over 5m. at the trading level from the U.K. companies being more than offset by a setback on the overseas side and a doubled net interest charge, group pre-tax profits of Associated Biscuit Manufacturers showed a reduction from £5.86m. to £3.28m. in the first 36 weeks of 1977.

The principal reason behind the better U.K. figures is a much improved performance by Huntley Borne and Stevens. In the biscuit and confectionery divisions the increased U.K. turnover represents price rather than volume exports show a 42 per cent. jump.

Mr. Richard Carr, chairman, explains that results from Canada are disappointing due entirely to the David Company in Montreal which experienced lower sales and reduced margins. The French offshoot met problems on its new investment programme—sales were good but efficiency was temporarily affected.

The Indianisation of Britannia Biscuit has been delayed but should be completed in early 1978. Despite the downturn overseas the chairman feels confident in the future of all the group's international interests and it is planning to develop further overseas.

In the U.K. the confectionery and biscuit trades may continue to be difficult with volume increases only available at low margins. However, the chairman is optimistic about certain new products and the group is implementing plans to improve cost effectiveness in both production and sales areas.

Group sales in the 36 weeks rose by 13 per cent. to £130m.—in the U.K. they were up from £83.92m. to £90.65m. and overseas from \$48.38m. to \$47m.

	36 weeks	1977	1976
Sales	130.0	115.2	102.0
U.K. companies	89.2	83.1	69.2
Overseas	40.8	32.1	32.8
Trading profit	1.38	0.37	0.37
Overseas	2.24	0.58	0.58
U.K.	1.28	0.39	0.39
Pre-tax profit	2.28	0.85	0.85
Interest, etc.	2.29	3.21	3.21
Profit before tax	2.51	4.15	4.15
Taxation	1.29	2.18	2.18
Net profit	1.22	1.97	1.97
Interim dividend	0.88	0.88	0.88

Earnings per share are stated at 4.2p against 4.7p. The interim dividend is increased from 1.32p to 1.6p net—the total for 1976 was 2.83p paid from profits of £10.17m.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

Company	Date
Interim—Allied Investment, Brown Engineering, George M. Callender, Dominion and General Trust, Sunbe Stars (Bradford), External Investment Trust, E. Roberts, A. Goldens, Jersey General Investment Trust, Spira-Sarco Engineering, Sweeney Golding, Transatlantic and General Investment, Western Motor, Wilmet Breeden.	Oct. 18
Finals—Consolidated Gold Fields, Eastman, Wembley Foundry and Engineering.	Oct. 18
Interim—Baird (Wm.), Burrell, Coral Leisure, David Bull, English National Investment, Fairview Estates, Haffley (Andrew J.), Hopkinson, House of Lords, Imperial Chemicals, Jansel Toybee.	Oct. 19
Finals—M.T.D. (Mangata), Marton International, Messina (Dranas) Dev., Sanderson Murray & Elder, Simpson (S.), Woodrow Wyatt.	Oct. 20

short-term there seems little to cheer the shares which at 7 1/2 yield a prospective 5.9 per cent. Statement, Page 29

Recovery continues at U.U.

CONTINUING ITS recovery into the second half clothing manufacturer U.U. Textiles reported a profit of £28,700 to a profit of £62,000 in the year to April 30, 1977. Mr. J. L. Turner, chairman, warned that current trade continues to be difficult which margins under pressure.

These conditions are likely to remain until there is an increase in consumer spending on clothing, he adds.

In the interim stage in February, reporting a turnaround from a loss of £120,000 to a pre-tax profit of £10,000, the directors forecast a further improvement in the second half.

The chairman reports that along the end of the financial year the group's banks have continued their support on special banking terms subject to regular reviews. The next review date is October 30.

After taking into account provisions, minorities and extra-ordinary debts of £27,700 compared with £59,200, there is a deficit for the year of £19,000 against £57,400. The extraordinary items mainly comprise the closure costs incurred by the group following the cessation of various activities.

Earnings per share, before the extraordinary items, are stated as 0.88p (3.11p loss). There is no dividend—the last was in 1974-75, in which year there was a turnaround from a profit of £241,015 to a loss of £27,070.

Group turnover was £2,299,000, interest charges £22,000, profit before tax £28,700, minority 2,000, tax £1,000, extraordinary debit £7,000, loss £19,000. Dividend 0.88p.

comment

Associated Biscuit has had its share of trading problems in the first half. Margins have been under pressure in the U.K. on the food side, reflecting some trading down by the consumer and the short view taken in the cocoa market where prices remain at very high levels, while overseas the David Company in Montreal incurred losses mainly through a poor product mix. U.K. trading was, however, bolstered by a good recovery in packaging—roughly half the U.K. trading gain—but overall there is a 10 per cent. shortfall at the pre-tax level after more than doubled interest charges due to higher working capital requirements mainly raw materials. The trading pattern is bound to be similar in the current six months, although forward orders for the Christmas period have been encouraging. So

Strong & Fisher

(Clothing & Fashion Leather Manufacturers)

Continuing Growth

The Hon. E.D.G. Davies in his first statement as Chairman reports another year of record profits and pays tribute to the retiring Chairman, Mr. J.P. Strong OBE, who founded the company in 1952.

Highlights of the year ended 31st May 1977 were:

- Pre-tax profit £1,839,000 – up 29%
- Leather Turnover £15.1 million – up 33%
- Leather Exports £8.25 million – up 31%
- Dividend 4.21p net (maximum permitted)—covered more than four times

Turning to the current year the Chairman says: "I am confident that we shall continue to progress and that the results will be satisfactory when I report to you a year hence"

Strong & Fisher (Holdings) Limited

Copies of the Report and Accounts are available from the Secretary, Strong & Fisher (Holdings) Limited, 100 Inchester Road, Rushden, Northamptonshire NN10 9XQ.

Bowthorpe Holdings Limited

I am pleased to report an increase in the group's pre-tax profits for the half year... and expect the level of profits to be maintained for the remainder of 1977.

JACK BOWTHORPE, CHAIRMAN, BOWTHORPE HOLDINGS LTD.

Achievements in the half year ending 30 June 1977:

1 Pre-tax profits	£3.01m. (£2.69m/1976)
2 Sales	£18.83m. (£15.16m/1976)
3 Earnings per share	4.1 pence (3.0 pence 1976)
4 Interim dividend Payable on December 15 1977 to shareholders at the close of business on November 7 1977	0.75 pence (0.67 pence 1976)

For a copy of the half year report, write to the Secretary, Bowthorpe Holdings Ltd, Crawley, West Sussex RH10 2RZ.

Bowthorpe Hellermann Ltd; Bowthorpe EMP; Bowthorpe Hellermann Distributors; Hellermann-Deutsch; Hellermann Electric; Hellermann Electronic Components; Hellermann Insuloid; Hiatt & Co Ltd; Power Development Ltd. Overseas subsidiaries and associates in Australia, Brazil, France, West Germany, Japan, New Zealand, South Africa, Switzerland and the U.S.A.

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THE SCOTTISH NEW TOWNS
19 Cockspur Street, London SW1Y 5BL. Tel: 01-930 2631

Financial Times Wednesday October 12 1977

Hewden-Stuart well up and forecasting over £4m.

£7.3m. for 18 months from Swan Hunter

ON THE FACE of extremely difficult trading conditions, particularly in those sectors dependent on the construction industry and the North Sea, the heavy group, achieved an increase of 51 per cent in pre-tax profit for the half year ended July 31, 1977. And for the full year the directors are predicting a total of over £4m.

The directors point out that in the construction industry and in the North Sea the full effect of pending cutbacks and the lack of orders for production platforms are now being felt. While the group has experienced a strengthening of demand in parts of England, this appears to have been a larger share of the market being obtained rather than an improvement in the level of activity.

Utilisation is well below capacity but the group says that this has been offset by its pricing policy. The business has been assisted by the decision to concentrate on telescopic equipment where demand from the petro-chemical industry in Scotland has been steady rather than an crawler equipment where demand has been hit by the public spending cuts on road and housing programmes. So pre-tax profits in the full year may be as high as £4m despite the lower volume of trade. At 50p the shares are on a prospective yield of 3.3 per cent.

Second half boost to BPM

MAINLY REFLECTING a return to normal operations in the news paper business, profits before tax of BPM Holdings recovered from £1.23m. in the year ended July 2, 1977, of which £1.35m. against £0.83m. accrued in the second half.

The directors report that the re-organising business divisions, predicted marginally better results and there were also improvements in other parts of the group.

The year's earnings per 25p share are stated to be up from a revised 21p to 22p. The dividend is increased from 2.55p to 2.60p with a final of 2.175p.

PRE-TAX profits of £7.2m. and total dividends of 10.18p are reported by Swan Hunter Group for the 18 months to June 30, 1977. For the previous 12 months profits amounted to £5.73m. and dividends to 9.12p.

As indicated in a circular to holders dated May 25 the results for the 18 months include the earnings of those subsidiaries not vesting in or sold to British Shipbuilders together with dividends received before June 30 from vesting subsidiaries in respect of profits earned to December 31, 1976.

Comparative figures for 1975 have been prepared on the same basis. The results of the associated companies are included on the basis of the audited accounts of those companies for the twelve months ended during the period of the accounts.

No provision has been made for any shortfall which may arise between the compensation receivable in respect of the subsidiaries taken into public ownership and the £153m. cost of acquiring the subsidiaries concerned.

Swan Hunter must now decide what it is going to do with the bulk of its business now that the shipbuilding interests have been nationalised and a policy statement is expected in next month's annual report. The company is faced with two real alternatives: either it seeks new acquisitions possibly outside its current management experience; or there is a capital distribution to bring share values more into line with remaining assets. Over-shadowing the issue will be the question of what compensation Swan Hunter can expect from the nationalisation of a major part of its business. Meanwhile yesterday's results were much in line with market expectations. Figures from ship repairing were perhaps a little disappointing but this was more than compensated for by the results from associated companies and an increase from investment income and interest.

The interim dividend is effectively increased from 0.895p to 0.925p which includes an amount arising from the reduction in ACT.

The directors intend for the current year to recommend the minimum dividend permitted. With this in mind, they would normally at this time have recommended a substantial increase in the interim with a view to reducing the disparity between payments. It appears both likely and imperative that by April the Chancellor should have reduced the standard rate of tax. The directors therefore feel that it will be in the best interest of many holders if the major part of the dividend continued to be paid in the first half of 1977-78 a total equal to 1.85p.

	1976-77	1977-78
Turnover	5,998	6,500
Trading profit	1,300	1,340
Other income	157	152
Interest payable	157	152
Share associates	1,230	1,230
Profit before tax	1,320	1,230
Taxation	11	2
Minorities	42	418
Dividends	42	418
Retained	583	431

	1976-77	1977-78
Turnover	5,998	6,500
Trading profit	1,300	1,340
Other income	157	152
Interest payable	157	152
Share associates	1,230	1,230
Profit before tax	1,320	1,230
Taxation	11	2
Minorities	42	418
Dividends	42	418
Retained	583	431

comment
Hewden-Stuart, with the industry as a whole, has suffered a recession in the construction industry but has managed to maintain its position as far as possible. However, margins up a brigade of equipment is on the point in the first half in almost 7.8 per cent. This is more than the least of the year ago. Profits from the first half are up by 24 per cent. This does include earnings from disposals.

comment
Swan Hunter must now decide what it is going to do with the bulk of its business now that the shipbuilding interests have been nationalised and a policy statement is expected in next month's annual report. The company is faced with two real alternatives: either it seeks new acquisitions possibly outside its current management experience; or there is a capital distribution to bring share values more into line with remaining assets.

30 companies wound up

- Justice Tomlinson in the County Court has made orders for the compulsory winding up of the following 30 companies:
 - International Bank and Trust Company of the Middle East
 - Yearly Jahvale, A.P.S. Printing
 - Alkatham Auto Controls, F.S.M. Agency, Hillside Motors, Ionite
 - Investment, Framax Optical Company
 - Hodgeson Automotive Spares
 - William and Gwynn, John Norton (Land Drainage), R. L. C. Ltd., Marshall Nett and Partners
 - Edward Publishers and General Services, R. C. S. Property Services, Gomburch and North Warren Holdings
 - Watt Murphy Construction
 - Alison (Civil Engineering)
 - W. J. Tibball (Contractors)
 - Hand Property Renovations, Technic Printers, Ely Computers (Sales and Service), A. C. Market Supplies
 - B. Willis (Exports), Centre Properties, Panda Computers
 - Senior Confectionery, P. S. M.T.S. (London), Haymore Insurance Brokers, Kewdale, Barry Travel (International)
 - C. Davies, Economics (Automobiles), Forest Heath Invest-
 - Heating and Ventilation
 - Bulldozer, J.B. Builders and (London), M.P. Builders, Borsari Italia, Overseas Motors, Highway Marketing Equipment Properties, Horder Leewood (Builders), J. Hayes (Cornwall)
 - Ronald Raine, Investments, Swaynell (Paints), Nicholas H. Thompson (Civil Engineering), Garbhart, Garage (East Ham), H. A. Athas Management (International), Kasterdale, S. H. Metal Stampings, Holdings, S. A. D. Health, G. W. Jones, J. H. C. Contractors, Company, Nugent and Hills Construction
 - Vanson Furnature (Southall), Aline, Mopalin, Sharmsted, Alveria, Escalbond, Escalbond Security Holdings, Polysterse Trading Company, S. A. Taxes, Ferryboat Northumbrian, J. and J. Scaffold Contractors and Services (Southern), Joyce Handling Contractors, R. Griffin (Woolley), Security Containers (New-Ferrous), N. and E. Haulage (Bentford), Curtis (London), Silver Pine Builders, Stonelead, Strie-Lyne Products, Betty-Lamson,
 - Waterprizes, Kensington Fashions, Marks Properties, R. Mitchell (Beckenham), Suttons Garages (St. Yarmouth), Harris Plastering, Winton Property Holdings, B.S.O. Securities, Calc and Vosper (Civil Engineering), Holenett, Wiramie, T. F. Maher and Company, Triton Pools (South), Coutts Construction, H. J. Import and Export, G.D.R. Properties, Zebra Equipment International, H. and T. Builders Supplies, Electrical Heating (Sales), Anthony Leslie and Partners, Traford Insurance Brokers
 - Truancy, Truancy Services, Contract, Leisure, Bramley Brick, work, Corporation (London), Nix and Brown Chemicals, H. end C. Plasterers, L.T. Car Wash, R. De Bure,
 - Waddell Chemical Company, Burns, Electrical Co., Derkman, Westminster Estates (Developments), Bartwell Estates, Aldwyth Promotions Direct Mail, Rye Travel Services, Monopoly Developments, Everingham, Kalkweg, Mackintosh Projects, Sky Construction, Mulberry Marketing and Merchandising, D.E.B. Construction, Industrial Banking Corporation, Elkvale.

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September 16, 1977

UNITED BRITISH SECURITIES TRUST LIMITED

Secretary—Investment Trust Services Limited

Three year summary of results

Year ended 30th June	Gross Revenue £'000	Ordinary shares Earned per share	Paid per share	Gross Assets (less current liabilities) £'000	Net Asset Value per Ord. share
1975	2,632	6.52p	6.40p	55,910	240p
1976	2,697	6.53p	6.25p	41,074	225p
1977	3,284	7.95p	7.95p	49,370	309p

The twenty largest holdings detailed in the Report and Accounts equal 29.2% per cent. of the portfolio. Renounceable share certificates, in respect of the capitalisation issue approved by shareholders at the annual general meeting, will be issued on 14th October, 1977. Dealings in the new shares are expected to commence on 17th October, 1977. In his statement Mr. Geoffrey Kinchen said "year directors at present hope to increase the ordinary share dividend over the equivalent, after the above-mentioned capitalisation issue, of 3.975 pence per share."

Copies of the Accounts are available from the Registrar, 95 Southwark Street, London SE1 0JA.

MONEY MARKET

Interest rates easier

Bank of England Minimum lending rate 11 per cent. (since October 7, 1977). 90-day term fixed period interest rate fell 1/4 per cent. to 14 per cent. in the money market yesterday. The money market yesterday saw a further easing of rates for 90-day Treasury bills eased to 14 per cent. which still leaves a probable fall of 1/2 per cent. in Bank of England Minimum Lending Rate. Mr. Fryday's story bill tendering in the market yesterday suggested that a cut-off of 1/2 per cent. to 5 per cent. is more likely in M.L.R. this week. However, unless the authorities take action to prevent it.

Day-to-day credit was in very short supply yesterday, and the authorities lent an exceptionally large amount overnight in seven or eight hours, at M.L.R. of 5 1/2 per cent. Banks carried forward surplus balances from Monday. Government disbursements were slightly in excess of revenue payments to the Exchequer, and the market was also helped by funds coming into London through the foreign exchange market. On the other hand there was an increase in the note circulation; repayment was made of the previous day's market advances, and the major advance factor was the call on 19 per cent. Treasury 1985.

Bank/Authority	Rate	Term
Bank of England	11%	Min lending rate
Bank of England	14%	90-day Treasury bills
Bank of England	14%	90-day Treasury bills (eased)

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SWAN HUNTER GROUP LIMITED

RESULTS FOR THE 18 MONTHS ENDED 30th JUNE 1977

	1976/77	1975 (12 months)
Turnover	£2,000,50,772	35,085
Trading profit arising from:		
Shipbuilding	531	532
Shiprepairing	1,845	1,830
Marine and General Engineering	614	363
Civil Engineering and Building	327	152
Share of trading profits less losses of associated companies	3,317	2,877
Investment income and Interest Received less interest payable	1,150	712
Taxation	2,819	2,136
7,286	5,725	
3,768	2,695	
Extraordinary items less taxation thereon	795	1,100
Dividends from vesting subsidiaries	—	(317)
Others	795	783
Attributable to Parent Company shareholders	4,313	3,813
Dividends on Ordinary Shares		
First Interim of 3.0000p per share (1975: 3.0000p per share)	551	551
Second Interim of 3.5000p per share (1975: Nil)	643	—
Proposed Final of 3.6892p per share (1975: 2.9122p per share)	678	535
Profits retained	1,872	1,086
Earnings per Ordinary Share per annum		
Excluding Extraordinary items	12.77p	16.49p
Including Extraordinary items	15.65p	20.75p

As indicated in the circular to shareholders dated 24th May, 1977, the results for the 18 months ended 30th June, 1977 include the earnings of those subsidiaries not vesting in or sold to British Shipbuilders together with Dividends received before 30th June, 1977 from vesting subsidiaries in respect of profits earned to 31st December, 1976.

Comparative figures for 1975 have been prepared on the same basis for the 12 months to 31st December, 1975.

The results of the associated companies are included on the basis of the audited accounts of those Companies for the twelve months ended during the period of these accounts.

No provision has been made for any shortfall which may arise between the compensation receivable in respect of the subsidiaries taken into public ownership and the £15.8m cost of acquiring the subsidiaries concerned.

The Annual Report and Accounts will be posted to shareholders on the 7th November, 1977 and will include a statement regarding the Company's policy following the nationalisation of its shipbuilding and other interests.

The final dividend if approved will be payable on 6th December, 1977 to shareholders on the Register at the close of business on the 7th November, 1977.

Annual General Meeting, Royal Station Hotel, Newcastle upon Tyne, 29th November 1977 at 3 p.m.

SWAN HUNTER GROUP LIMITED

Sunley House, Regent Centre, Regent Farm Rd, Gosforth, Newcastle upon Tyne, NE3 3QA.

BIDS AND DEALS

Reasons 'good' for Lankro suspension

Dealings in the shares of agricultural and industrial chemical manufacturers, Lankro Chemicals, were temporarily suspended on the Stock Exchange yesterday at the company's request. A statement is expected from the company today; meantime Mr. Roger Kingsley, the managing director, said "the reasons are good not bad."

In the past week Lankro's shares have risen by 25p to 100p just prior to suspension. The move was in contrast to the trend in the company's business. At the annual meeting in July, Mr. Tony Russell, the chairman, announced that "profits for the year as a whole would be below those achieved last year." Interim results are due this month.

Pre-tax profits for the year to the end of February were £1.9m, virtually unchanged from the previous year due to less favourable conditions for industrial chemicals and the impact of the drought on herbicide sales. During the past two years Lankro has invested £2m in plant between 1975 and 1977 borrowings rose from £2.9m to £5.9m.

Although these levels were within existing borrowing powers of £12m, at the annual meeting these were raised to £18.3m.

Lankro has recently undertaken two joint ventures: one in the U.S. with a private company, Falck, to produce phenoxyc acid herbicides at a \$15m plant in Alabama; the other in Cologne, Germany, with Gieshaerwerk to produce polyurethane chemicals.

Members of the Lankro family control more than 35 per cent of the shares, but Shell Chemicals UK also holds 13.25 per cent.

REABROOK TRUST ACQUISITION

Reabrook Investment Trust announces that Gordon Sales and Service Company in which its wholly owned subsidiary, Statmax, has a 51 per cent interest, has agreed to purchase the capital of L. E. Russell Ltd. for some £23,000 cash. This will be paid as £15,000 on completion, £7,000 on February 3, £5,000 on May 3 and £3,000 on August 3 next.

Burchell trades as a distributor of refrigeration equipment in South Wales and its activity is complementary to that of Gordon Pre-tax loss for 1976 amounted to £811. The directors of Reabrook and Russell consider the assets required to have a value at September, 1977, at least equal to the loss.

INVERESK GROUP

Inveresk Group announces that its subsidiary Link Paper and Supplies has arranged to enter into a long-term lease of a large warehouse property at Weybridge, Surrey. It has the capacity to store in excess of 4,000 tonnes of paper.

THROGMORTON SALE

Throgmorton Trust, an investment trust in the knowledge of its shareholders, has sold its entire holding of 291,500 shares in G. M. Firth (Metals). The holding represented 7.6 per cent of the equity and was sold through the market at a discount to the then market price.

RESULTS IN BRIEF

AMEX HOLDINGS—Results for the year to June 30, 1977, reported August 28. Turnover £12.5m, profit £2.5m. Dividend 12p. Chairman says the company reports a "strong and steady" performance. The loss of profit claim after the head office fire is still under negotiation. August share to 100p.

CHEPSTOW RACECOURSE—Loss for the year to June 30, 1977, £14.2m. The loss of three days racing at the beginning of the year and in particular the Welsh Grand National day proved an obstacle to the recovery of the racecourse. Chairman says the results for the year should be satisfactory. For 1978 loss was £4.1m.

G. R. DAVES HOLDINGS—Results for year to March 31, 1977, reported August 28. Turnover £12.5m, profit £2.5m. Dividend 12p. Chairman says the company reports a "strong and steady" performance. The loss of profit claim after the head office fire is still under negotiation. August share to 100p.

BULLTON ENGINEERING HOLDINGS—For first half of 1977 sales £11.5m, profit £1.5m. Chairman says the company reports a "strong and steady" performance. The loss of profit claim after the head office fire is still under negotiation. August share to 100p.

EXCALIBUR HOLDINGS—Results for year to April 30, 1977, reported August 28. Turnover £12.5m, profit £2.5m. Dividend 12p. Chairman says the company reports a "strong and steady" performance. The loss of profit claim after the head office fire is still under negotiation. August share to 100p.

JOHN FINLAY—For first half 1977 turnover £11.5m, profit £1.5m. Dividend 12p. Chairman says the company reports a "strong and steady" performance. The loss of profit claim after the head office fire is still under negotiation. August share to 100p.

GARTONS—Results for year to June 30, 1977, reported August 28. Turnover £12.5m, profit £2.5m. Dividend 12p. Chairman says the company reports a "strong and steady" performance. The loss of profit claim after the head office fire is still under negotiation. August share to 100p.

MUME HOLDINGS—Results for year to June 30, 1977, reported August 28. Turnover £12.5m, profit £2.5m. Dividend 12p. Chairman says the company reports a "strong and steady" performance. The loss of profit claim after the head office fire is still under negotiation. August share to 100p.

JOHN TEA HOLDINGS—Results for year to June 30, 1977, reported August 28. Turnover £12.5m, profit £2.5m. Dividend 12p. Chairman says the company reports a "strong and steady" performance. The loss of profit claim after the head office fire is still under negotiation. August share to 100p.

NORTH BROKEN HILL HOLDINGS—Results for year to June 30, 1977, reported August 28. Turnover £12.5m, profit £2.5m. Dividend 12p. Chairman says the company reports a "strong and steady" performance. The loss of profit claim after the head office fire is still under negotiation. August share to 100p.

MINTY—The interim statement says that while there has been a "strong and steady" performance in the current year, trading conditions remain very depressed and management is determined to maintain a dividend of 12p. Chairman says the company reports a "strong and steady" performance. The loss of profit claim after the head office fire is still under negotiation. August share to 100p.

Empire's forecasts

In their rejection document sent to shareholders, the directors of Empire Placements and Investments dismiss the increased bid by Caparo Investments as "totally unacceptable."

As well as forecasting profits of £1.22m for the year to March 31, 1978, Empire is also declaring an interim dividend of 0.66p for 1976-77, payable October 25, and expects to pay a final of 1.32p.

In advising shareholders to ignore the bid, the Empire directors draw attention to the motives and point out that the value of Empire's investments in associated companies amounts to some £1.5m, and to this basis after taking account of bank borrowings this would put a value on the ten estates of £2.2m.

This is only a fraction of the pre-tax profits forecast to arise from them in the current year also.

WILLIAM EWART GETS BID

Northern Bank Development Corp. on behalf of Reginald F. Clarke and Soc. their associate company and Mr. R. L. Stoupe, announces that agreement has been reached with William Ewart Investments whereby offers to acquire the Ordinary and Preference capital of Ewart at 57.5p for each Ordinary and 36p for each 10 per cent Cumulative Preference share.

The offers will be recommended by the Ewart directors to those shareholders who wish to dispose of their shares. The offers are conditional upon acceptance by shareholders holding not less than 30 per cent of both classes. The directors, advised by Price Waterhouse, consider the offers to be fair and reasonable.

COOPER INDS.

Cooper Industries and Jevons Cooper announce that the resolutions proposed at their respective AGMs were passed.

Cooper's offer to acquire the shares in Jevons not already owned has been declared unconditional. Acceptances have been received in respect of 1,035,656 shares which together with the 748,583 shares held on August 9 (the date the offer was announced) represents 96 per cent. The offer remains open until October 31.

EXCHANGE TERMS VALUE DOVER

NEWMIAN INDUSTRIES has finally released the terms of its agreed bid for Dover Engineering, first mooted in July. The terms are three 40-right Newmian shares for every five Dover which values Dover at £1.68m, or 42p per share. The offer price compares with a market price for Dover's shares yesterday of 57p.

Dover and Newmian announced that they were discussing merging in July when Newmian forecast pre-tax profits for this year of not less than £2.5m. Negotiations were then suspended until Dover's Board had time to produce a similar forecast. This was duly announced in mid-September. Pre-tax profits for the year to March are expected to be £700,000 compared to £155,000 for last year. On this forecast the offer price gives an exit p/e for Dover of 3. Dover is advised by Charterhouse Jappell and Newman by Guinness Mahon.

ARBUTHNOT LATHAM

Arbuthnot Latham Holdings has sold its entire 20 per cent stake in Anglo-Indonesian Corporation for £289,800. A spokesman for Arbuthnot Latham said last night that the investment had been "very satisfactory" but a substantial amount of money had been locked up in it, yielding a low cash return. Mr. C. J. Priddy and Mr. S. J. Keynes, directors of Arbuthnot Latham, are to resign from the Board of Anglo-Indonesian.

The buyers of the shares appear to be Warren Tea Holdings, Rothchild Investment Trust, and Old Court Commodity which following the placing have only 17.5, 8 and 5.8 per cent of the equity respectively. Warren Tea previously held 12 per cent and its investment represents a continuation of the policy of diversification by commodity and country.

NORTON & WRIGHT GROUP LIMITED

(Production and distribution of fund-raising cards and schemes)

Record Results

Improved Trading in Current Year

Points from the Statement by the Chairman, Mr. David R. Rochlis, circulated with the Report and Accounts for the year to 31st March, 1977.

- Group pre-tax profits were £633,836 compared with £504,419 for the previous year. A Final Dividend of 2.6136p per share is proposed making a total for the year of 3.7874p (1976: 3.645p).
- Earnings per share rose from 3.30p to 10.36p.
- Group turnover amounted to £2,772,857 compared with £2,270,800 showing an increase of £502,057. Export sales accounted for £917,255, compared with £718,745, an increase of £198,510. Of the total turnover, exports represented approximately 33%.
- During the year 6,000 sq. ft. of extra production space became available and contracts have been signed for a further extension to give another 6,000 sq. ft.
- In order to assist overseas development a branch of Norton & Wright (Holland) B.V. was formed in Belgium.
- Turnover for the first five months of the current year shows an increase of 24% over the comparative period for the previous year.

Are you a Stock Exchange Investor? Do you want to invest in the East in Europe? Is your portfolio under-performing? Do you want to invest in the FT Index? Do you want to invest in the FT Index? Do you want to invest in the FT Index?

Westover your interests

01-2468026

PETROBRAS

Petróleo Brasileiro S.A.
Rio de Janeiro

DM 150,000,000
7% Bonds due 1984

All these bonds having been sold, this announcement appears as a matter of record only.

WESTDEUTSCHE LANDESBANK GIROZENTRALE
CREDIT LYONNAIS
DEUTSCHE BANK Aktiengesellschaft
SWISS BANK CORPORATION (OVERSEAS) Limited

ABU DHABI INVESTMENT COMPANY
ALAHJI BANK OF KUWAIT (K.S.C.)
ALGEMENE BANK NEDERLAND N.V.
A.E. AMES & CO.
AMEX BANK Limited
AMSTERDAM-ROTTERDAM BANK N.V.
ARAB FINANCIAL CONSULTANTS COMPANY S.A.
ARAB MALAYSIAN DEVELOPMENT BANK Berhad
ASIAC - ASIAN INTERNATIONAL ACCEPTANCES & CAPITAL Limited
BACHE HALSEY STUART SHELOES Incorporated
BANCA COMMERCIALE ITALIANA
BANCA OEL GOTTARDO
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BANQUE BRUXELLES LAMBERT S.A.
BANQUE FRANCAISE DU COMMERCE EXTERIEUR Limited
BANQUE FRANCAISE DE CREDIT INTERNATIONAL Limited
BANQUE GENERALE DU LUXEMBOURG Société Anonyme
BANQUE DE L'INDOCHINE ET DE SUEZ
BANQUE INTERNATIONALE A LUXEMBOURG S.A.
BANQUE NATIONALE DE PARIS
BANQUE DE NEULIFE, SCHUMBERGER, MALLET
BANQUE DE PARIS ET DES PAYS-BAS
BANQUE DE PARIS ET OES PAYS-BAS (SUISSE) S.A.
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CHRISTIANA BANK OG KREDITKASSE

CITICORP INTERNATIONAL GROUP
COMMERZBANK Aktiengesellschaft
COMPAGNIE MONDÉSOUVE OÙ BANQUE Limited
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CREDIT INDUSTRIEL ET COMMERCIAL
CREDIT ITALIANO (UNOEWRIERS) S.A.
CREDIT SUISSE WHITE WELD Limited
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TRINKAUS & BURKHARDT
UNION BANK OF FINLAND LTD.
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UNION DE BANQUES ARABES ET FRANÇAISES - U.B.A.F.
VERBAND SCHWEIZERISCHER KANTONALBANKEN
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WOOD GUNTER LIMITED
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October 12, 1977

This announcement appears as a matter of record only.

\$42,000,000

European Coal and Steel Community

Bonds Due 1992

This private placement has been arranged with institutional investors.

Salomon Brothers

One New York Plaza, New York New York 10004
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These Notes have not been and are not being offered to the public.

\$33,000,000

Sveriges Investeringsbank Aktiebolag

(Swedish Investment Bank Limited)

Notes due October 1, 1997

We negotiated the direct placement of these Notes.

White, Weld & Co.

Incorporated

International Investment Bankers

October 6, 1977

Handwritten signature or mark at the bottom of the page.

INTERIM STATEMENT

Collett, Dickenson, Pearce International Limited

Half-yearly report

Six months to 30th June 1977

The directors present the unaudited group results for the six months to 30th June 1977

Table with 3 columns: Item, Six months to 30th June 1977, Six months to 30th June 1976. Rows include Trading profit before taxation, Taxation, Profit after taxation, and Minority interests.

The directors have declared an interim dividend of 1.5565p. per share payable on 28th November 1977 to shareholders on the register on 31st October 1977.

The main London company has achieved substantial growth in 1977, the additional business being generated by both existing and new clients.

Growth in business has contributed to an increase of 74% in Group profit before tax for the half year over 1976.

The company will be moving into its newly acquired offices at 110 Euston Road on 24th October 1977.

The company, having sub-let its Howland Street premises at a profit rental, is currently negotiating the disposal of its leasehold interest in these offices.

As there continues to be a change in the pattern of business with a steady levelling across the year, it is anticipated that the overall group will show a steady profit growth for 1977.

The directors also report that they consider that in the accounts to the 31st December 1977 it will be necessary to take account of an extraordinary item (and without admitting liability) of a sum currently estimated at £600,000.

The agency is in a healthy position. Trading forecasts make cheerful reading.

ASSOCIATED BISCUITS

Interim report

Unaudited results for the 36 weeks ended 11th September 1977

Table with 4 columns: Item, 36 weeks 1977, 36 weeks 1976, Year 1976. Rows include Sales, Trading profit, Profit before tax, and Earnings per Ordinary Share.

Interim dividend on Ordinary and A Ordinary Shares payable on 31.10.77 is 8.12.77.

Note: The results of the overseas operations for the 36 weeks 1977 have been expressed in sterling at the rates of exchange prevailing to those relating to 11th September 1977.

Group Results: The results for the first 36 weeks of 1977 reflect the difficult trading conditions encountered in several areas.

United Kingdom Companies: The principal reason for better profit figures in the UK is a much improved performance by Huntley Boome & Stevens.

Overseas Companies: Results from Canada are disappointing due entirely to the levits Company in Montreal which has experienced lower sales volume and reduced margins.

Outlook: Despite disappointing overseas figures, we feel confident in the future of our international interests and we are actively planning to develop further overseas.

Dividend: The limited 1977 dividend (including 0.12% in respect of 1976 payable following the change in ACT to 34%) is 15.83% of this total 7.50% has been declared as an interim.

Associated Biscuit Manufacturers Limited logo and contact information.

MINING NEWS

South Crofty makes a bold start

BY PAUL CHEESERIGHT

SHARES IN the Cornish tin mine, South Crofty, marked their re-emergence on the Stock Exchange after a lapse of ten years by establishing a premium of 19p over their offer price of 50p.

Trading was very hectic for the first ten minutes in the morning, but then levelled out after the initial excitement.

Although the whole of South Crofty's issued capital of 15m. shares is on the Stock Exchange official list, the first 3.2m. shares, originally offered for sale by Saint Piran at a price of 50p each.

These 3.2m. shares make up 85 per cent of the equity, and Saint Piran is keeping the balance.

The level of the offer price and the heavy over-subscription for the shares—there were applications for more than 45 times the amount available—had already indicated that early trading would be favourable for the stock.

This proved to be the case. The price opened at 67p, rose to a high for the day of 71p and then closed at its opening level.

The Cornish concern, Tehidy Minerals, which carries the greater part of its revenue from mining dues and investment income, has done well so far this financial year and expects the final outcome to be good.

This assessment is made in the annual statement by the chairman, Mr. Oscar Strauss. Net profits in the year to last December were £83,825 and total dividends were 1.19p a share.

Tehidy draws part of its income from a royalty paid by the South Crofty tin mine. Until April 1976, Saint Piran, which now holds 63 per cent of South Crofty, owned 27.75 per cent of Tehidy.

NORANDA ZINC SUSPENSION

The latest casualty of the depressing world zinc price is Orchan Mines of Canada, which is planning to suspend all mining and milling operations at its workings at Mattagami Lake, Quebec, from December 2 this year to January 8 next year.

Orchan, which has a 25 per cent stake in the Mattagami Lake zinc project, has been reduced since last June and is being run down still further for the last three months of the year.

This has meant that Orchan has had to reduce third quarter production by 50 per cent. There is no indication yet that any reduction will be able to be in last June.

CAROLIN LOOKS FOR MORE GOLD

Enthusiasm about the increase in the gold price is being reflected in Vancouver, where Carolin Orchan and Norita underground Mines is going ahead with its plans to cut sampling tunnels into Quebec, from December 2 this year to January 8 next year.

Development, which will mean tunnelling a maximum of 2,000 feet, plus at least 40,000 feet of diamond drilling, will cost \$1.5m. (US\$2.2m) and will start by the beginning of December.

A year ago, the company's consulting geologist estimated 4.2m. tons in one zone, averaging 0.088 ounces a ton, or 1.7m. tons averaging 0.148 ounces a ton. Carolin hopes that the development programme will prove 10m. tons by the end of the year.

The company announced completion of the \$1.5m. development to indicate that the parent group currently holds 72.8 per cent of the shares.

GRA in coal clash

A PUBLIC struggle has emerged between Conine Riohato of Australia and CSR for control of A.A.R. whose principal asset is the major equity in the \$480m. (US\$740m.) Hall Creek coal project in Queensland, our Sydney correspondent reports.

The Australian Government has asked the two groups in seek to resolve the struggle. CRA has a 15 per cent direct stake in the Hall Creek venture and a 12.5 per cent holding in A.A.R. Until mid-August it had an option to lift its stake at Hall Creek to 50 per cent, but this was not exercised because of problems with financing and sales contracts.

Meanwhile, Exxon, the U.S. oil group, has submitted two proposals to FIRB. One was for the development of Hall Creek. The other was for a takeover of A.A.R. An official statement from CRA has not, however, been received, saying that the group has applied to FIRB for Government permission to take some asset undisclosed section of A.A.R.

CRA is the Australian arm of the Rio Tinto-Zinc group and it is suggested that the RTZ chairman, Sir Mark Turner, has been holding talks in Canberra on the desirability of building up Australian equity in CRA to 40 and 50 per cent.

NICKEL OUTPUT IN INDONESIA

Against the background of the falling world nickel price, Indonesia has just announced that its production last year increased by 3.5 per cent, from 801,000 tons to 838,300 tons.

Indonesia's nickel ore is exported to Japan, with which it has a 10-year, 10m. ton contract. The Head of the Indonesian Mineral Technology Development department, Mr. Muhammad Adnan Ibrahim says there are still substantial reserves, sufficient to last for the next 100 years.

Against the background of the falling world nickel price, Indonesia has just announced that its production last year increased by 3.5 per cent, from 801,000 tons to 838,300 tons.

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They can do a lot for your organization!

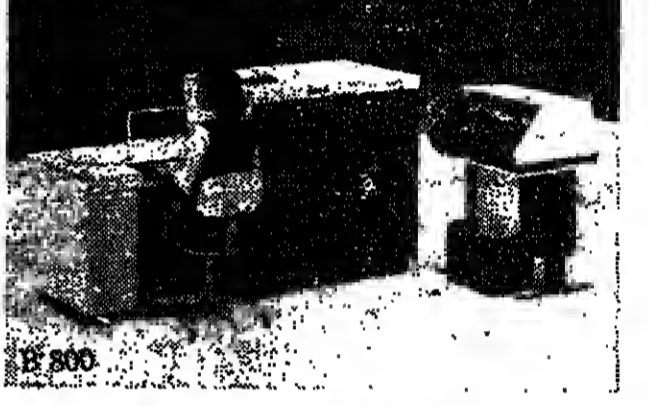
- These systems are the smaller members of Burroughs "800" family of computer systems, a family which extends all the way to the very large B 7800. However, the B 80 and B 800 are designed to uniquely meet the needs of both the smallest and largest organizations.



- Should your needs grow further, you can change your system and continue to use the high-level programming languages as on the B 80 and B 800. This commonality also extends to operating procedures, and together they contribute to Burroughs consistently maintaining high customer loyalty.

- The B 80 and B 800 satisfy larger organizations seeking to decentralize or distribute data processing power within their operations. Reports are available for immediate action at local or regional levels and, through data communications networks, headquarters management can receive the information needed for overall operations analysis and control.

- The systems are supported by Burroughs field engineering, systems analysis, design teams and Customer Support Centers located throughout the world.



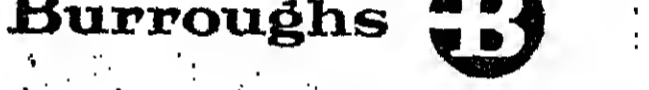
- The B 80 and B 800 economically provide large computer features which automatically control all system resources, relieve your operator of dozens of tasks required by other manufacturers' computers and speed the workflow.

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- The B 80 and B 800 can grow easily and economically with your needs since they offer data communications capabilities and employ a broad, common range of printers, magnetic storage units and other peripheral products.

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For information, contact your local Burroughs office.



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INTERNATIONAL FINANCIAL AND COMPANY NEWS

First half increase at Rhône-Poulenc

DESPIITE THE deficit of the textile sector (which posted losses of Frs.347, Rhône-Poulenc chemical and textile group said its gross consolidated operating profit during the first half of this year amounted to Frs.1.5bn., or 12 per cent of turnover, compared with Frs.1.2bn. in the same period of 1976.

IRI to consider action on Alfa Sud

ROME, Oct. 11. ISTITUTO PER la Ricostruzione Industriale (IRI), Italy's giant state holding company, is scheduled to hold a crucial meeting later this week to decide on the future of its troubled car subsidiary, Alfa Romeo, reported to have lost a total of Lire 550bn., or close on \$370m., during the past five years.

Mellon profits up 7%

MELLON NATIONAL Corporation, the parent of Mellon Bank, has reported a 7.2 per cent rise in net profits after securities transactions, to \$17.9m., or \$1.53 a share, in the third quarter, from \$16.7m., or \$1.47 a share, in the same period of 1976, AP-DJ reports.

Spain borrows at 7% spread

WITHIN A few days of hitting the 1 per cent spread over Libor line, another Spanish borrowing has succeeded in getting a lower spread: 7 per cent over Libor, seven years. This time the borrower is the Kingdom of Spain and the amount being raised is \$300m., through a group of banks led by the Compañía Financiera de España. The fees are believed to be very low and bankers describe the terms overall as tight.

ENEL issue postponed

WITH THE FALL in Eurodollar bond prices continuing again yesterday, the \$100m. issue for ENEL has been postponed. The issue was scheduled to close this evening and had offered index terms of 8 per cent at 89 1/2 for a five-year maturity. However, since the issue was announced eight days ago, the market has done nothing but fall under the impact of rising short-term interest rates and the fall in dollar.

Swiss stamp duty

ZURICH, Oct. 11. THE SWISS Government believes that the proposed increase of stamp duty on securities trading will not lessen the country's banking system.

RCA well ahead

ON REVENUE ahead from \$1.33bn. to \$1.46bn., net income of RCA for the third quarter of 1977 almost doubled from \$33.1m. to \$62.9m. The 1976 figure includes a charge of 27 cents per share, representing a provision of \$20m. in respect of the Ortel Foods Group.

Procter and Gamble

PROCTER AND GAMBLE expects earnings for the 1978 first quarter to exceed year-ago levels by a reasonable margin. Mr. Edward Harness the chairman, told shareholders at the annual meeting, reports Reuter from Cincinnati.

Spain borrows at 7% spread

Central bank reserves creased by close to \$1bn. August to reach \$5.3bn. While Spain's trade deficit the first six months of 1977 reached \$1.1bn., an improvement compared with the first half of 1976, which was \$1.5bn.

Sudameris stakes

DRESDNER BANK AG and Union de Banques Suisses (UBS) will each take a 12 per cent stake in Banque Française et Italienne pour l'Amérique du Sud SA (Sudameris), the Paris Stockbrokers Association said, reports Reuter.

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Advertisement for Yusuf A. Alghanim & Sons W.L.L. featuring a large logo and text: "U.S. \$25,000,000 Unsecured Medium Term Loan Managed By J. Henry Schroder & Co. S.A.L." Lists various banks and agents.

SELECTED EURODOLLAR BOND PRICES

Table with columns for bond names, bid prices, and offer prices. Includes entries like ALCOA Australia 5 1/2% 1979, AMEX 5 1/2% 1979, etc.

Advertisement for McLeod, Young, Weir International Limited, Market Makers in US and Canadian dollar Eurobonds of Canadian issuers.

Advertisement for Crédit Industriel et Commercial, LONDON, The leading private banking organisation in France.



Advertisement for Amro Bank now in London, The Amsterdam-Rotterdam Bank NV (Amro), a leading bank in Holland, now has an office in London.

Vertical text on the right edge: "Honda increase"

Handwritten signature or mark at the bottom center.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Honda Motor earnings increase sharply

FINANCIAL TIMES REPORTER

RECASTING a rise in after profit for this year of more than a third, the parent company of the Honda Motor group suggests that its exports of motor cars in the second half of 1977 will take a sharply increased...

results eventually emerge, most observers expect that they will include foreign exchange losses. The parent company's earnings per share for the first half of the year rose to Yen 16.47 from Yen 14.50 in the same period last year...

Company profit doubts

MAJOR JAPANESE corporations have revised downward their estimates of net profit for the half year ending September 30, says a survey by Nihon Keizai Shimbun, a leading financial...

Philippine borrowing rules relaxed

By David Housage

PHILIPPINE SUBSIDIARIES of Ford Motor Company and General Motors are to be allowed to make local peso borrowings, following a relaxation of the rules that came into force on October 1 restricting the access of foreign companies to raise funds in the domestic market...

UNITED ARAB EMIRATES Syndicated loan for Ras al Khaimah

BY ANTHONY McDERMOTT

THE FIRST syndicated Euroloan — of \$200m — for Ras al Khaimah, a member of the United Arab Emirates in the Gulf, was signed in London yesterday. The emirate was represented by the Crown Prince, Sheikh Khalid bin Saqr of Gasim...



Sheikh Khalid bin Saqr of Gasim, Crown Prince and Deputy Ruler of the Emirate, signing the agreement.

The loan is to be repaid over six years, carrying a spread of 1 1/2 per cent over Libor. It was lead-managed by Lazard Brothers and also managed by the Arab and Morgan Grenfell Finance Company...

ing operations over the next year. It is hoped that in September 1978 oil production at the SAL of Lebanon will be 20,000 barrels/day which will be an annual increase of 50 per cent...

European listings for Thorn

Y ANDREW TAYLOR

RN ELECTRICAL Industries are to be quoted on the German, French and Dutch exchanges by the end of the month. The listings will provide a base for the group's...

The new listings will provide an ideal springboard for Thorn if it decides to strengthen its European operations via share purchases. Mr. Harold Mourgue, Thorn's finance director, said yesterday...

Royal Insurance moves into S. Korean market

BY ERIC SHORT

THE U.K. composite Royal Insurance has become the first company to take advantage of the recent decision of the South Korean Government to relax its ban on foreign insurers operating in the Republic of Korea...

Jardine Inds. setback — interim halved

BY PHILIP BOWRING

JARDINE Industries, a quoted subsidiary of Jardine Matheson, has halved its interim dividend from six to three cents. A statement yesterday said that trading results for the first nine months had been poor...

HONG KONG, Oct. 11. In the annual report for 1976, published in April, Mr. D. K. Newbelling, the chairman, said that 1977 should see increased earnings provided that the Hong Kong dollar's strength did not make the company's products uncompetitive...

Advertisement for Osterreichische Kontrollbank Aktiengesellschaft. Includes financial details: \$50,000,000, \$25,000,000 7% Guaranteed Notes due 1980, \$25,000,000 7 1/2% Guaranteed Notes due 1982. Guarantors: The Republic of Austria, Orion Bank Limited, European Banking Company Limited, Creditanstalt-Bankverein, Osterreichische Länderbank Aktiengesellschaft.

Advertisement for AB Götaverken. Includes financial details: \$80,000,000, \$40,000,000 7 3/8% Guaranteed Notes due 1982, \$40,000,000 8 1/8% Guaranteed Bonds due 1987. Guarantors: The Kingdom of Sweden, Bank of America International Limited, Credit Suisse White-Weld Limited, PKbanken, Skandinaviska Enskilda Banken, Svenska Handelsbanken, Westdeutsche Landesbank Girozentrale.

U.K. engineering companies come up against the facts of life

BY KENNETH GOODING

A BRITISH engineering company recently won a contract to supply process plant hardware for a French project. This was not a monster order by any means—it was worth around £500,000—yet the French company's executives were asked to explain to the Minister responsible for their industry their reasons for buying British rather than French equipment.

As it happens, the technology involved in the plant was not available in France so the deal was given grudging government approval. However, the next time that French companies are placing orders it will certainly be influenced by its interview with the Minister.

This is just one recent example among many of the way protectionism has been growing in countries which nominally are committed to the principle of free trade within the EEC.

Complaints are growing in some parts of the engineering industry that only the U.K. is sticking to the rules. In the words of Commander John Hamer, director of the Process Plant Association (PPA): "In the present very depressed industrial circumstances, world-wide competition is fierce and in this picture it would seem that only in Britain do we continue to play with a straight bat. We seem to think that if we are decent, everybody else will follow the rules too. We have to learn the facts of life and industry."

There is, indeed, extreme concern among Britain's makers of process plant hardware about the growing numbers of orders being lost to overseas competitors. The PPA says that so far

this year up to £17m. of equipment has been ordered from abroad for U.K. projects. This represents, according to the association's reckoning, 700 lost job opportunities—jobs mainly for skilled people.

Ironically, too, most of the projects involved will receive help from the U.K. Government in the form of grants or loans at preferential rates of interest because they are in Development Areas or Special Development Areas.

The PPA points out that this financial assistance was mainly designed to help create jobs. Yet the process industries tend to be capital rather than labour intensive so the finished projects will create only a relatively few new jobs. The construction and fabrication work, however, can create work for many hundreds.

Apart from the plant makers' losses opportunities, the British Steel Corporation also suffers because foreign steel is being used. And in the current, very depressed, steel market the corporation needs all the customers it can get.

Brush-off

The plant makers feel that the time has come for the grants system to be changed. The PPA has written to Mr. Eric Varley, the Secretary for Industry, asking him to consider urgently "making Government assistance in the form of grants, preferential rate loans or interest relief conditional on the majority of the supply and services being from U.K. sources".

In the past such a request would very likely have been

IMPORTS OF PROCESS PLANT

Description	Value £'000s	Destination	Supplier
Reactors	350	Seal Sands	Japan
Columns	630	Hull	Holland
Tanks	330	Billingham	France
H.E.s	550	St. Fergus	Italy
Reactors	510	Hilthouse	Germany
Vessel	2,500	Teesside	France
Tower	500	Carrington	Holland
Reactors & Vessels	400	Middlesbrough	Belgium
Columns	500	Carrington	Belgium
Refinery Plant	7,000	Immingham	Holland/France
H.E.s	270	Baglan Bay	Japan
Reboilers	600	St. Fergus	Italy
Separators	400	St. Fergus	Italy

Source: Process Plant Association

given a polite brush-off. There are good reasons why Mr. Varley might have followed the old formula. After all, the PPA's letter dropped into his "in-tray" just about the time both the International Monetary Fund and the GATT secretariat publicly complained about growing international protectionism. However, Mr. Alan Williams, the Minister of State for Industry, who replied because of Mr. Varley's absence on holiday, told the PPA that "because of the impact of the matters you raise," the subject would be passed for consideration to the Process Plant "Little Noddy," only recently set up and which held its first meeting earlier last month.

There are those on the "Little Noddy" who feel a better approach would be to take advantage of the National Economic Development Office's industrial strategy forum to find out from the customers exactly why they have been buying from abroad. Are there gaps in the ranges of process plant hardware the U.K. can offer? Are there technological reasons for purchasing overseas equipment? And so on.

Many of the plant makers are quite sure that they are losing

the orders simply because of the prices quoted. Some of the foreign lenders have been 30 to 50 per cent. below those quoted by British companies. In fabrication around half the total cost may be in raw materials, so how can such quotations be made?

The answer, according to the PPA, is that some foreign companies are effectively "buying" work, taking contracts at cut prices to cover overheads and keep their labour forces together.

The PPA also alleged in its letter to Mr. Varley that it had reliable, but informal, information "that in many cases the foreign companies are receiving assistance in various forms from their respective governments to assist them in exporting."

Reversal

The plant makers argue that any overseas company accepting a contract at below cost price is as guilty of dumping as a producer of a finished product is judged to be under GATT rules if it sells at below the home-market price. But because of the one-off nature of process plant orders it is not possible in practice to prove the precise amount of value added by the fabricators, so anti-dumping duties could not effectively be imposed.

The timing of the plant makers' campaign has much to do with the dramatic reversal in the mood of the industry since forecasts were published in May by the process plant working party at NEDO, predecessor of the "Little Noddy." At that time there was a reasonable amount of optimism among the process plant contractors and manufacturers.

But the hiatus in the economic recovery of the West's main manufacturing countries, coupled with problems in the home market raised by continuing inflation and cuts in public expenditure, have transformed the position.

The association in May was expecting spending on process plant hardware to rise by 6 per cent. in real terms in 1977-78 compared with 1976-77. Now the estimate has roughly been halved to 3 to 4 per cent.

Problems have been caused by such things as the British Steel Corporation's decision to cut its investment by £450m. over that period, by the failure of the expected sharp increase in demand from the food and drink processing industry to materialise, and because the chemical industry also seems to have put back some investment for a time.

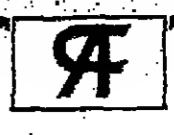
Lose heart

Meanwhile most plant makers are operating at no more than 60 per cent. of capacity. In the first three-quarters of 1977 fewer than four out of 10 manufacturers in the industry had more than six months' work on their order books. And the numbers of those with only 15 weeks' work has been growing steadily.

The problems of keeping design teams together in such circumstances are tremendous. To start with the industry has not been in a position to build up any layer of protective financial fat in the past. Historically the industry's return on capital has been only 5 to 6 per cent. If there is no work for the design teams they lose heart and drift out of the industry, even if their employees are willing to go on paying them.

The PPA maintains there are indications that there will be a great build up of demand in 1978-79 and that much of that demand will be put the way of U.K. manufacturers because of political or financing pressures. The industry should not be allowed to run down any further if it is to be expected to meet this demand which could stretch capacity to the utmost.

The plant makers have no illusions, however, that the rest of British engineering will rally round and support them. "Nobody is going to buy British if it costs him 30 per cent. more than overseas plant," said one executive.



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London Clearing Banks' balances

as at September 21, 1977

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business

of their offices and their subsidiaries including Scottish and Northern Ireland banks in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Co-Op, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES

Table with columns: Total outstanding, Change on month, Liabilities, Assets. Rows include Sterling deposits, U.K. banking system, U.K. public sector, etc.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

Table with columns: Total outstanding, Change on month, Barclays, Lloyds, Midland, National Westminster, Williams & Glyn's. Rows include Liabilities, Assets, Cash and balances with Bank of England, etc.

TABLE 3. CREDIT CONTROL INFORMATION

Table with columns: Eligible liabilities, Reserve assets, Reserve ratio (%). Rows include Eligible liabilities, Reserve assets, Reserve ratio (%).

TABLE 4. RATIO %

Table with columns: U.K. banks, London clearing banks, Scottish clearing banks, Northern Ireland banks, etc. Rows include U.K. banks, London clearing banks, Scottish clearing banks, Northern Ireland banks, etc.

Banking figures

(as table 9 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

Table with columns: Total outstanding, Change on month, Eligible liabilities, Reserve assets, Ratios %. Rows include U.K. banks, London clearing banks, Scottish clearing banks, Northern Ireland banks, etc.

APPOINTMENTS

HM Treasury: Deputy Chief Economic Adviser £14,200. An economist of outstanding ability is sought for appointment as Deputy Chief Economic Adviser in the Treasury.

CONFERENCES

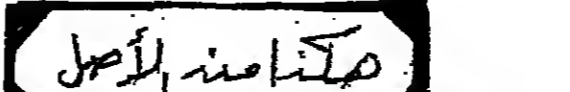
KINGSTON REGIONAL MANAGEMENT CENTRE. CONFERENCES FOR SENIOR MANAGERS TO BE HELD AT THE CAPE ROYAL IN NOVEMBER. 15th Industrial Strategy - Gaining the Commitment of Employees - Lord Allen (USDAW), Ken Baker (GMWU), John Cousins (NEDOL), J. D. Hinde (Chairman, SWP), and Dermot Hurley (Chrysler) confer on implementing Sector Working Party Recommendations.

COMPANY NOTICES

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED. NOTICE TO HOLDERS OF SHARE WARRANTS TO REARER. DIVIDEND No. 103. Pursuant to the notice published on 8th September 1977, members are informed that the rate of exchange at which payment of the above dividend is to be discharged by the United Kingdom Paying Agents is therefore equivalent to 84.73300 per share.

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This document contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to Berry Pacific (Sterling) Fund Limited ("the Company"). The directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Application has been made to the Council of The Stock Exchange for all the Participating Redeemable Preference Shares of 1p each of the Company, issued and to be issued, to be admitted to the Official List. This document does not constitute an invitation to the public to subscribe for or purchase shares of the Company.

All references herein to \$ and dollars are to dollars of the United States of America and all references to £ and pounds are to pounds sterling.

BERRY PACIFIC (STERLING) FUND LIMITED

Incorporated with limited liability in Jersey as an investment company under the Companies (Jersey) Laws 1961 to 1968

Authorised £	SHARE CAPITAL	Issued and fully paid £
100,000	in 10,000,000 unclassified shares of 1p each of which there have been issued 3,728,375 as Participating Redeemable Preference Shares of 1p each	37,283.75
100	in 100 Management Shares of £1 each	100.00
£100,100		£37,383.75

The Company has borrowings from The Royal Bank of Canada (Channel Islands) Limited, which at 28th September, 1977, amounted to \$5,600,000, details of which are set out below under the heading "Loan Arrangements". Subject thereto and save for borrowings of £850 incurred in connection with its formation, the Company did not at that date have outstanding any debentures, overdrafts, stock loan capital, borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

THIS DOCUMENT IS PUBLISHED IN CONNECTION WITH THE INTRODUCTION TO THE STOCK EXCHANGE OF ALL THE PARTICIPATING REDEEMABLE PREFERENCE SHARES OF 1p EACH OF THE COMPANY ISSUED AND TO BE ISSUED

Directors	Bankers	Auditors
Raymond Berry, Templars, Stoneyvare, Bisham Road, Marlow, Buckinghamshire (Chairman)	The Royal Bank of Canada (Channel Islands) Limited, P.O. Box 48, Saumarez Street, St. Peter Port, Guernsey, G.I.	Safferys, Chartered Accountants, P.O. Box 141, 1 The Queen's Road, St. Peter Port, Guernsey, G.I.
John Bede Martin English, Australinn, Flat SA, 111 Robinson Road, Hong Kong		
Donald Peter Lines, Mill Point, Fairfords, Pembroke, Bermuda		
Peter Edmund O'Connor, Flat B8, 39 Shouson Hill Road, Hong Kong		
Richard Chicheley Thornton, Broadham End, Broadham Green, Oxford, Surrey		
Eldon Harvey Trimmingham, Long House, Ingleswood Property, Paget, Bermuda		
Peter Alan Lee Vinc, 30 Po Span Road, Ground Floor, Hong Kong		
Managers	Brokers	Reporting Accountants
G.T. Management (Jersey) Limited, Templar House, St. Helier, Jersey, C.I.	Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN and The Stock Exchange	Peat Marwick, Mitchell & Co., Chartered Accountants, 1 Puddle Dock, Blackfriars, London EC4V 3PD
	Secretary and Registrar	Legal Advisers
	C.T. Management (Jersey) Limited, Templar House, St. Helier, Jersey, C.I.	In London: Slaughter and May, 35 Basinghall Street, London EC2V 5DB
	Transfer Office	In Jersey: Bedell & Cristin, Normandy House, St. Helier, Jersey, C.I.
	The Bank of Bermuda (Guernsey) Limited, 31-33 Le Pollet, St. Peter Port, Guernsey, G.I.	London Collection Agent
		G.T. Management Limited, Park House, 16 Finsbury Circus, London EC2M 7DJ

HISTORY AND BUSINESS

The Company was incorporated with limited liability in Jersey on 25th August, 1977 under the provisions of the Companies (Jersey) Laws 1961 to 1968. The Company is an open-ended investment company in that it may issue and redeem its Participating Redeemable Preference Shares ("Participating Shares") at regular intervals at prices based on the value of its net assets. The share capital of the Company is denominated in sterling and the Company is resident for exchange control purposes in the Scheduled Territories in Jersey.

The primary purpose of the Company is to provide for residents of the United Kingdom and the other Scheduled Territories a medium through which they can invest in Berry Pacific Fund Limited without themselves having to borrow foreign currency or acquire foreign currency through the investment currency market. Berry Pacific Fund Limited is an open-ended investment company incorporated in Bermuda, substantially the whole of the assets of which are invested in securities listed on the Japanese stock exchanges and is non-resident for United Kingdom exchange control purposes. The shares of Berry Pacific Fund Limited are listed on The Stock Exchange in London. Both the Company and Berry Pacific Fund Limited are managed by subsidiaries of G.T. Management Limited, a London-based investment management company.

On 28th September, 1977 the Company acquired the whole of the assets and business of Berry Pacific Fund Limited ("Berry Bermuda"), an open-ended investment company incorporated in Bermuda, which went into liquidation on that date and which up to then had, under the management of a subsidiary of G.T. Management Limited, performed the role now assumed by the Company in providing a medium through which residents of the Scheduled Territories could invest in Berry Pacific Fund Limited. The consideration for the acquisition of the assets and business of Berry Bermuda was the issue of 3,728,375 Participating Shares in the Company to shareholders in Berry Bermuda and the assumption by the Company of all the liabilities of Berry Bermuda.

A copy of the auditors' report on the Company incorporating a statement of net assets as at 28th September, 1977, a copy of the report on Berry Bermuda by Peat, Marwick, Mitchell & Co., the reporting accountants, and extracts from the audited accounts of Berry Pacific Fund Limited are set out below.

INVESTMENT AND DIVIDEND POLICY

The policy of the Directors of the Company is to invest the major part of the funds of the Company in shares in Berry Pacific Fund Limited, a company whose primary investment objective is capital growth. Shares in Berry Pacific Fund Limited are foreign currency securities and the currency for their acquisition is derived partly from borrowing and partly from purchase in the investment currency market.

It is the present intention of the Directors of the Company that approximately three-fifths of the net assets of the Company should be represented by shares in Berry Pacific Fund Limited financed with borrowed foreign currency and that approximately two-fifths should be represented by shares in Berry Pacific Fund Limited financed through the investment currency market.

The statement of net assets of the Company set out below shows that as at 28th September, 1977 the Company held 312,500 shares in Berry Pacific Fund Limited representing 83.3 per cent. of the aggregate market value of the total investments and cash held by the Company at that date. The balance of the assets of the Company were as at that date held primarily in sterling and United Kingdom government securities, a proportion of which forms part of the security for the foreign currency borrowings.

As at 28th September, 1977 the shares in Berry Pacific Fund Limited held by the Company amounted to approximately 22.3 per cent. of the total shares in Berry Pacific Fund Limited then in issue.

The Company's sources of income will be the distributions received on the shares held by it in Berry Pacific Fund Limited and the interest on its sterling cash and United Kingdom government securities. The interest on United Kingdom government securities will be taken into income in the Company's accounts in the manner adopted by Berry Bermuda described in note 1 to paragraph 1 of the accountants' report on Berry Bermuda set out below. This income will be applied in the payment of administrative expenses and in the payment of interest on the Company's foreign currency borrowings, any part of such interest which is not financed from the proceeds of realisation of securities, by further borrowing being financed in part through the investment currency market where necessary as referred to below under the heading "Foreign Currency Considerations". It is currently the policy of the Directors of the Company to distribute to holders of Participating Shares in the Company by way of dividend any surplus income that may arise.

The full details of dividends paid by Berry Pacific Fund Limited and Berry Bermuda are set out below under the heading "Financial Information".

SHARE CAPITAL

The Company has an authorised share capital of £100,100 divided into 10,000,000 unclassified shares of 1p each, of which 3,728,375 have been issued as Participating Shares and any further part of 100 Management Shares of £1 each all of which have been issued and are fully paid. The unissued unclassified shares are available for issue as Participating Shares which effectively constitute the equity share capital of the Company.

If any Participating Share is redeemed by the Company, the amount originally paid into share capital account in respect of such share (1p) can be repaid under Jersey law either out of distributable profits or if an equivalent amount is simultaneously paid into share capital account. For this purpose unclassified shares will also be available for issue as Non-Participating Redeemable Second Preference Shares ("Nominal Shares") for cash at par to G.T. Management (Jersey) Limited ("the Managers"), the managers of the Company, for any Participating Shares redeemed otherwise than out of distributable profits.

Under Jersey law, redeemable shares in a Jersey company can only exist if they have preference over another class of shares in the capital of that company. For this reason, it has been necessary to create a class of capital in the Company which is separate from the class of redeemable shares. This separate class comprises the 100 Management Shares of £1 each, all of which have been issued fully paid for cash at par to the Managers. No further Management Shares will be issued.

Neither the Management Shares nor the Nominal Shares carry any right to dividends and rank for the repayment of capital in a winding-up after the Participating Shares. Each Management Share carries the same voting rights as a Participating Share and a holder of Nominal Shares is only entitled to one vote in respect of all Nominal Shares held by him.

Further particulars as to the capital structure of the Company and the rights attaching to the Participating Shares, the Management Shares and the Nominal Shares are set out below under the heading "Particulars of Share Capital".

BERRY PACIFIC FUND LIMITED

Berry Pacific Fund Limited was incorporated with limited liability in, and under the laws of, Bermuda on 17th March, 1970. It has an authorised share capital of \$2,000,000 divided into 2,000,000 shares of \$1 each, of which, as at 28th September, 1977, 1,400,477 shares had been issued and were fully paid. Berry Pacific Fund Limited is an open-ended investment company in that it issues and redeems its shares at weekly intervals pursuant to applications made by investors at prices based on the value of its net assets. The shares of Berry Pacific Fund Limited are listed on The Stock Exchange.

Each of the directors of the Company other than Mr. English and Mr. O'Connor is a director of Berry Pacific Fund Limited which has four other directors, Mr. Eric Carl Elstob, who is also a director of The Foreign and Colonial Investment Trust Company Limited, Mr. Robert James Boyd who is Executive Vice-President of G.T. Management Corporation, a subsidiary of G.T. Management Limited, Mr. Alan Wilson who is an investment manager at Baring Wains S.A. and Mr. William Thomas Wilson who is Chief General Manager of The Bank of Bermuda Limited. It is the intention of the Directors of the Company that a majority of the directors of Berry Pacific Fund Limited will at all times be Directors of the Company.

The primary investment objective of Berry Pacific Fund Limited is to achieve capital growth. The investment policy of the directors of Berry Pacific Fund Limited is to invest substantially the whole of the funds of that company in portfolios of equity and convertible securities listed on the Japanese stock exchanges. Investments may also be made by Berry Pacific Fund Limited outside Japan and a substantial part of the funds of Berry Pacific Fund Limited may be held in liquid form whenever it appears to be appropriate to do so.

Information on the management of Berry Pacific Fund Limited is included under the heading "Management" below.

FINANCIAL INFORMATION

A. THE COMPANY

The following is a copy of a report dated 5th October, 1977 from Safferys, Chartered Accountants, the auditors of the Company:—

The Directors,
Berry Pacific (Sterling) Fund Limited ("the Company").

1 The Queen's Road,
St. Peter Port,
Guernsey,
Channel Islands,
30 October, 1977.

Dear Sirs,

We report that the Company was incorporated on 25th August 1977 under the name of Berry Pacific (Jersey) Fund Limited and changed its name to Berry Pacific (Sterling) Fund Limited on 28th September, 1977. As the Company only commenced business on 28th September, 1977 no accounts have been made up and no dividends have been declared or paid.

Following the acquisition of the whole of the assets of Berry Pacific (Sterling) Fund Limited ("Berry Bermuda"), a company incorporated in Bermuda, on 28th September, 1977 the net assets of the Company at that date were:—

Assets	£
Investment in Berry Pacific Fund Limited (Note 2)	2,778,384
United Kingdom government securities (at market value)	1,697,955
Loan currency account	6,832,747
Investment currency premium (Note 3)	162,823
Cash at banks and on deposit	2,123,453
Debtors and accrued income	1,282,211
Others and accrued income	22,878
	10,471,596

Liabilities:

Liabilities	£
Creditors and accrued liabilities of Berry Bermuda	12,919
Creditors in respect of estimated liability re-organisation and formation expenses	50,000
Foreign currency loan (Note 4)	3,219,888
	3,282,807

Net Assets Representing:

	£	\$
100 Management shares of £1 each, fully paid	100	100
3,728,375 Participating Redeemable Preference Shares of 1p each fully paid	37,283.75	7711.302
Share Premium Account	7711.302	—
Less: Liability re-organisation and formation expenses	60,000	—
	7,131,382	—

Net asset value attributable to Participating Redeemable Preference Shares (Note 4)

Notes:

- Assets and liabilities in dollars have been translated into sterling at the rate of \$1.7445 to £1, the rate of exchange ruling at 28th September 1977, and an effective investment currency premium of 22.3 per cent.
- Investments in Berry Pacific Fund Limited at 28th September, 1977 comprised 312,500 shares purchased with investment currency and 182,900 shares purchased with loan currency. These investments have been valued at the published net asset value per share of Berry Pacific Fund Limited including, in the case of shares held on investment currency account, 73 per cent. of the investment currency premium.
- The amount represents 73 per cent. of the investment currency premium on the excess of the net assets held in sterling over the amount of the foreign currency loan.
- At 28th September, 1977 the amount outstanding on the foreign currency loan advanced by The Royal Bank of Canada (Channel Islands) Limited under a revolving credit agreement dated 28th September, 1977 was U.S.\$3,219,888. These borrowings were secured by assets having a value for the purpose of the agreement equal to 255 per cent. of the amount of such borrowings.
- The full terms of each Participating Redeemable Preference Share at 28th September, 1977 are set out in the Articles of Association of the Company.

B. BERRY BERMUUDA

The following is a copy of a report dated 5th October, 1977 from Peat, Marwick, Mitchell & Co., reporting accountants, on Berry Bermuda:—

The Directors,
Berry Pacific (Sterling) Fund Limited ("the Company").

1 Puddle Dock,
Blackfriars,
London EC4V 3PD,
30 October, 1977.

Dear Sirs,

We have examined the audited accounts for Berry Pacific (Sterling) Fund Limited ("Berry Bermuda") for the periods relevant to this report.

The accompanying income and expenses accounts, balance sheets and statement of changes in net assets which we have audited, are based on the audited accounts after making such adjustments as we consider appropriate. In our opinion these summaries together with the notes thereto set out respectively a true and fair view of the results of Berry Bermuda for the periods stated and of the state of affairs of Berry Bermuda at the dates stated.

Berry Bermuda went into voluntary liquidation on 28th September, 1977 and on that date transferred its assets to the Company. The balance sheet of Berry Bermuda at that date, shown below, has been drawn up to reflect the state of affairs immediately prior to the transfer.

1. Income and Expenses

Period from 28th January 1977 to 31st March 1977	1974	1975	1976	1977
Income (Note 1)	8,822	36,969	31,728	29,116
Interest on Government Securities	79,310	174,933	176,589	178,466
Interest on bank deposits	—	—	116,530	183,890
	88,132	211,902	308,317	391,472
Expenses:				
Interest paid	196,814	149,869	189,272	349,812
Management expenses (Note 2)	—	3,059	7,319	16,393
Amortisation of organisation expenses	11,539	11,154	11,154	11,154
	208,353	164,022	207,745	377,599
Net income/(deficit)	(120,221)	47,833	100,572	113,873

Notes:

- Interest on bank deposits has been accounted for on an accruals basis. The full amount of interest payable on United Kingdom Government securities and the full amount of dividends payable on other investments have been taken into income at the time that the securities are dated securities is included in the price at which these securities are bought or sold. Had interest on United Kingdom Government securities been taken into income on the basis of interest arising 60 days from the date of purchase until the date of sale of such securities, the income for dividends and in the change in unrealised appreciation/(depreciation) of investments shown in the Statement of Changes in Net Assets by the following amounts:—

Period from 28th January 1977 to 31st March 1977	1974	1975	1976	1977
Realised gain/loss on sale of investments	(261,294)	2,308	(36,861)	—
Change in unrealised appreciation/(depreciation) on investments	261,294	(2,308)	36,861	—
	—	—	—	—

Notes:

- Management expenses include Directors' fees and general expenses but exclude investment management fees which have been charged against capital and are shown in the statement of changes in net assets.
- Directors' fees amounted to £1,144 for the year ended 31st March 1977 and £948 for the period ended 31st March 1977.
- The full terms of each Participating Redeemable Preference Share are set out in the Articles of Association of the Company.

2. Dividends

The dividends paid by Berry Bermuda during the periods relevant to this report were as follows:—

Date of payment	Date of payment	Per cent. per share	Issue of shares in dividends paid	Amount paid
1st March 1977	28th September 1977	2.25	1,400,477	31,210.74
1st March 1977	22nd September 1977	2.25	2,728,375	61,288.44

3. Balance Sheets

Assets	1973	1974	31st March 1975	1976	1977
Investment in Berry Pacific Fund Limited (Note 2)	1,734,178	1,744,825	1,784,283	2,285,292	2,478,875
Investment currency account	2,642,443	1,413,361	1,743,373	4,848,539	4,783,881
Loan currency account	4,429,871	2,135,494	2,961,583	6,638,400	8,239,274
Investment currency premium (Note 3)	22,273	(63,116)	(181,681)	11,512	(38,247)
United Kingdom Government securities (at market value)	494,689	—	—	1,498,178	2,648,973
Cash at banks and on deposit	762,373	1,063,723	2,533,471	1,729,281	943,963
Debtors and accrued income	8,222	18,281	102,319	715,692	82,237
Others and accrued income	43,292	32,952	29,289	11,554	—
Organisation expenses (Note 4)	—	—	—	—	—
	3,702,595	4,210,539	4,734,243	10,667,344	11,971,738

Liabilities:

Liabilities	1973	1974	31st March 1975	1976	1977
Creditors and accrued liabilities	62,189	47,170	97,285	65,819	44,218
Foreign currency loan (Note 5)	2,396,742	1,765,941	2,639,539	4,963,287	3,692,173
	2,458,931	1,813,071	2,736,824	5,029,106	3,736,391

Net Assets

Net Assets	1973	1974	31st March 1975	1976	1977
	12,303,564	23,297,468	21,597,419	55,938,238	82,235,347

Representing:

Representing:	1973	1974	31st March 1975	1976	1977
Issued Share Capital	797,500	823,628	800,000	952,194	972,946
Contributed surplus on shares issued less redeemed	2,113,296	1,382,411	2,397,239	3,084,223	3,044,721
	2,910,796	2,206,039	3,197,239	3,936,417	4,017,667

Accumulated realised gains/(losses) on sale of investments and on foreign currency transactions less management fees and legal fees charged to capital

	1973	1974	31st March 1975	1976	1977
	19,561	9,272	(365,384)	(428,148)	(182,799)

Unrealised appreciation/(depreciation) of investments and foreign currency

	1973	1974	31st March 1975	1976	1977
	531,197	127,239	648,463	1,130,236	4,648,766

Accumulated surplus/(deficit) of undistributed income

	1973	1974	31st March 1975	1976	1977
	144,621	146,212	184,421	153,168	157,867

Notes:

- Assets and liabilities to foreign currencies have been translated into sterling at the exchange ruling at the relevant balance sheet date. At 28th September, 1977 the rate was U.S. \$1.7445 to £1 and an effective investment currency premium was 22.3 per cent.
- Investments in Berry Pacific Fund Limited at 28th September, 1977 comprised 312,500 shares purchased with investment currency and 182,900 shares purchased with loan currency. These investments have been valued at the published net asset value per share of Berry Pacific Fund Limited including, in the case of shares held on investment currency account, 73 per cent. of the investment currency premium.
- This amount represents 75 per cent. and 100 per cent. of the investment currency premium on the excess or deficit respectively of the net assets acquired with loan currency over the amount of the foreign currency loan.
- Organisation expenses were amortised in equal annual instalments over the 10 years commencing 28th January, 1975.
- At 28th September, 1977 the foreign currency loan, which amounted to U.S. \$3,219,888, was secured by assets having a value for the purpose of the loan agreement equal to 255 per cent. of that sum.

4. Statement of Changes in Net Assets

Period from 28th January 1977 to 31st March 1977	1974	1975	1976	1977
Realised gain/loss on sale of—				
United Kingdom Government Securities	—	—	(179,818)	(252,761)
Other investments and on foreign currency transactions	—	19,837	(215,968)	228,239
Investment management fees (Note 1)	—	—	18,420	(7,488)
Legal and professional fees	—	—	—	(7,488)
Change in unrealised appreciation/(depreciation) of investments and foreign currency	631,197	(682,894)	701,728	3,308,227
Net income/(deficit) before payment of dividend	144,621	4,149	(43,987)	277,397
Dividend paid	3,208,475	32,200	923,281	1,863,523
Shares issued (Note 3)	(215,817)	(279,819)	(68,153)	(381,819)
Shares redeemed (Note 3)	—	—	—	—
Change in net asset value during period	2,669,286	(215,561)	1,192,589	2,235,288
Net assets at beginning of period	12,303,564	23,297,468	21,597,419	55,938,238
Net assets at end of period	14,972,850	23,081,907	22,790,008	58,173,526

Notes:

- G.T. Bermuda Limited has received since 1st April, 1975, for investment management and quarterly fee equal to 0.125 per cent. of the net asset value of Berry Bermuda at the valuation day in each calendar quarter without taking into account the value of the Berry Pacific Fund Limited or cash or securities held by Berry Bermuda as well as foreign currency loan or organisation expenses, and without reducing any amount in respect of investment currency premium.
- At 28th September, 1977 the foreign currency loan, which amounted to U.S. \$3,219,888, was secured by assets having a value for the purpose of the loan agreement equal to 255 per cent. of that sum.

C. BERRY PACIFIC FUND LIMITED

The following financial information is based on the audited accounts of Berry Pacific Fund Limited for each of the five years ended 31st March, 1977. All figures are expressed in dollars.

1. Income, Expenses and Distributions

	1973	1974	31st March 1975	1976	1977
Income:					
Dividends and interest received (net of withholding tax)	139,131	126,897	49,233	273,411	273,411
Interest on bank deposits	160,649	547,723	645,836	2,145,315	2,145,315
Other	—	—	—	—	—
	299,780	674,620	695,069	4,418,726	4,418,726
Expenses:					
Interest paid	95,721	—	—	—	13,880
Management expenses (Note 1)	43,828	46,671	11,751	19,227	28,227
Amortisation of organisation expenses	2,384	2,384	2,384	2,384	2,384
	141,933	53,056	14,135	24,611	44,489
Net Income	157,847	621,564	680,934		

Berry Pacific (Sterling) Fund - Continued

Balance Sheet table with columns for 1973, 1974, 31st March 1975, 1976, and 1977. Rows include Investments, Cash, and other assets.

(1) Assets and liabilities have been translated to U.S. dollars at the rates of exchange ruling at the balance sheet date.

Statements of Changes in Net Assets

Table showing changes in net assets for 1973, 1974, 1975, 1976, and 1977. Rows include Net asset value per share and other metrics.

Amounts paid on shares redeemed are stated net of a redemption charge which was charged from time to time prior to 28th September 1973 at a rate of 1.5 per cent.

LOAN ARRANGEMENTS

A loan facility has been established by the Company with The Royal Bank of Canada (Channel Islands) Limited ("the Bank"). The facility enables the Company to draw from time to time over a five year period ending on 2nd September 1982...

FOREIGN CURRENCY CONSIDERATIONS

Whilst the redemption price per Participating Share of the Company is calculated in sterling, the investments of Berry Pacific Fund Limited are denominated in various currencies. Fluctuations in the exchange rate between sterling and the various currencies...

DIRECTORS

- Mr. Raymond Berry, 66, is Chairman of The Berry Trust Company Limited. Mr. B. M. English, 54, is a Director of G.T. Management (Asia) Limited.

MANAGEMENT

The Company is managed by G.T. Management (Jersey) Limited ("the Managers") a subsidiary, incorporated in Jersey, of G.T. Management Limited a London investment management company.

(which is summarised below under the heading "Particulars of Share Capital") and by adding back (i) the aggregate amount of monies borrowed and (ii) the amount of any contingent liability to purchase foreign currency...

The Managers are also entitled to receive the deduction of 1p made on the redemption of each Participating Share which is referred to below under the heading "Redemption of Shares".

The quarterly management fee payable to the Managers of Berry Pacific Fund Limited is calculated in respect of the year ended 31st March 1977 and the period from 1st April 1977 to 28th September 1977 on the same basis as is applicable to the quarterly management fee payable by the Company to the Managers...

G.T. (Bermuda) Limited is entitled to receive by way of remuneration for its services as managers of Berry Pacific Fund Limited an initial charge of up to 4 per cent of each net amount invested in Berry Pacific Fund Limited...

Under present law and practice and on the basis that control is not exercised in Jersey the Company is regarded as resident outside Jersey for the purposes of Jersey tax.

The attention of persons ordinarily resident in the United Kingdom is drawn to the provisions of section 478 of the Income and Corporation Taxes Act 1970...

A holder of Participating Shares may redeem his shares in whole or in part by delivering to the Company's Transfer Office the certificates for the shares...

The Articles of Association of the Company provide that Participating Shares may be issued from time to time at a price not less than the offer price calculated as at the close of business on the day preceding the subscription day...

The Managers will arrange for the publication daily in the Financial Times of the price at which Participating Shares are to be issued or sold by the Managers and redeemed or purchased by the Managers...

The Articles of Association of the Company provide that the Directors may suspend the valuation of the assets of the Company for the whole or any part of a period (a) during which the principal stock exchange on which any of the investments of the Company are listed or dealt in is closed...

The Company's first financial period will end on 31st March 1978. Copies of the audited accounts of the Company and of Berry Pacific Fund Limited...

Management Shares exist solely to ensure that the share capital structure complies with Jersey law which requires that the Participating Shares should have preference...

Participating Shares rank first for the redemption of the capital paid up thereon and in addition have the further right to have distributed amongst the holders thereof all surplus assets available for distribution to shareholders after repayment of the capital paid up on the Management Shares and the Nominal Shares.

The big price of Participating Shares at any subscription day is stated below in the table showing the assets of the Company at the close of business on the Business Day immediately preceding that subscription day.

The amount and value of the Management Shares and the Nominal Shares are stated in the table below and are subject to the provisions of the Articles of Association of the Company.

Participating Shares of 10 each are to be issued as participations in the Company's Supplementary Profits Reserve in accordance with Article 3 of the Company's Supplementary Profits Reserve Rules.

There are no provisions in the Articles of Association of the Company or in the Supplementary Profits Reserve Rules which would entitle the Company or the Directors to vary the dividend payable to the holders of Participating Shares.

Participating Shares are entitled to receive notice of and to attend and vote at general meetings of the Company and on a poll a holder entitled to one vote for each Participating Share held by him.

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which is payable to the Managers and forms part of their remuneration out of which they are entitled to subscribe for Nominal Shares although in such deduction they are to be deemed to have received the nominal amount of the Participating Shares in respect of which they are entitled to subscribe.

The value of a Participating Share at any subscription day is calculated by adding back (i) the aggregate amount of monies borrowed and (ii) the amount of any contingent liability to purchase foreign currency...

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Dollar falls 8 on interest rate concern Dollar improves

BY OUR WALL STREET CORRESPONDENT

TROUBLED BY lingering interest rate worries, Wall Street experienced a fresh bout of weakness in light trading today.

The Dow Jones Industrial Average fell 7.59 to 2823.95 and the NYSE All Common Index lost 41 cents to 432.03, while declines exceeded gains by 976 to 438. Trading volumes expanded to 1,370.7 million shares from the exceptional low figure of 10.58 million recorded yesterday when the Columbus Day holiday restricted activity.

The market retraced quickened in the afternoon when the short-term Federal Funds rate reached a high of 8 1/2 per cent, indicating that the Federal Reserve Board has boosted its target for the rate in an effort to curb money supply.

Analysts noted that it is expected that the nation's weekly money supply will show a large increase when the figures are released on Thursday.

Brokers said selling pressure further increased after Council of Economic Advisers Chairman Schultz commented that the outlook for the economy in the second half of 1977 "necessarily becomes more uncertain."

Seafrail fell \$1 to \$94, no profit.

TUESDAY'S ACTIVE STOCKS

Stock	Change
Market	7.59
Saxon Industries	230.00
Alcoa	23.00
Petroleum	3.00
Chrysler	3.00
General Electric	3.00
IBM	3.00
AT&T	3.00
Amstar	3.00
Boeing	3.00
Eastman	3.00
Exxon	3.00
General Motors	3.00
International Paper	3.00
Johnson & Johnson	3.00
Kimberly-Clark	3.00
McKesson	3.00
Merck	3.00
PepsiCo	3.00
Procter & Gamble	3.00
Rockwell International	3.00
Union Pacific	3.00
Walt Disney	3.00
Wendover	3.00
Western Union	3.00
Weyerhaeuser	3.00
Yale	3.00

OTHER MARKETS

Canada easier

Losses were in the majority on Canadian Stock Markets yesterday following a rather quiet trading session. The Toronto Composite Index gave up 2.1 to 995.8, while Oils and Gas declined 9.1 to 1225.8 and Utilities 1.1 to 161.35. Golds, in contrast, surged forward 60.8 to 1224.3 on index, reflecting a gain in Bullion prices, while Peppers gained 0.43 to 81.67.

Among Golds, Campbell Red Lake advanced \$2.00 to \$96.00, Mines \$2.1 to \$62.5, and Giant Yellowknife \$1 to \$50.

PARIS—Market displayed an easier tendency in further thin trading.

However, Banks were higher, while Stores and Electricals were

steadily firmer. Portfolio Investors, Chemicals, Engineering, Metals and Oils all stood ground, while Foods and Public Works were mixed.

Radio Technique rose Frs 9 to Frs 436, but Redout Frs 8 to Frs 363, but Carrefour declined Frs 7 more to Frs 1,395 and Michelin "B" lost Frs 14 to Frs 1,330.

Americans, Germans, Canadians and Coppers were steady, while higher, while International Oils and Golds were irregular.

BRUSSELS—Mainly weaker in fairly active trading.

Petrofina receded Frs 15 to Frs 2,920, Hobekes Frs 25 to Frs 2,555, and CBR Cement Frs 16 to Frs 1,202, but against the trend. Arbed put on Frs 20 to Frs 2,090 and Nedluchtbank Frs 10 to Frs 4,130.

U.K. shares were generally little changed, while Germans and Dutch rose and U.S. were mixed. Gold Mines fell 16 to L1,001 and Olivetti Privileged L10 to L800, but Fiat gained L17 to L1,999 and Bastogi L5.3 to L370.

Bonds were narrowly mixed, with Industrial yields higher.

JOHANNESBURG—Gold shares made good progress to finish at the day's highest levels, spurred on by Bullion advances.

In Dutch International, Hoogovens gained DM1.40 and Royal Dutch DM5.00.

State Loans edged forward.

STOCKHOLM—Stocks presented an easier appearance.

GERMANY—Market went strongly forward to close near its year's high in lively trading, with institutional buying being supported by small investors.

Chemicals gained DM1.30 on average. BBC led Electricals higher with a rise of DM1, while Siemens put on DM1.40. Engineerings were up as much as DM3.50 on the day.

Public Bods were better on DM0.23. The regulating authority bought around DM6.5 million of stock. Foreign Mark Loans were also firm.

OSLO—Firm tendency.

SWITZERLAND—Bourse was closed yesterday for its customary celebrations.

VIENNA—Very steady on balance. Leading industrial firms were mixed.

MILAN—Steady selling pressure left prices lower for choice, with the approving outlook.

Pirelli SpA lost L6 to L1,001 and Olivetti Privileged L10 to L800, but Fiat gained L17 to L1,999 and Bastogi L5.3 to L370.

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JOHANNESBURG—Gold shares made good progress to finish at the day's highest levels, spurred on by Bullion advances.

NEW YORK, Oct. 11

The U.S. dollar gained ground against major currencies in gold fed \$1 to \$1584.8171 in fairly active trading, following upward movement in Euro-dollar interest rates. Expectations of a rise in the U.S. money supply figures this week tended to support the dollar, since this is likely to lead to a further tightening of U.S. interest rates.

Morgan Guaranty's calculation of the U.S. unit's trade-weighted depreciation since the Washington Currency Agreement of December, 1971, narrowed to 1.11 per cent from 1.31 per cent on Friday.

The dollar closed at around its best level of the day against the Japanese yen at ¥257.75, compared with ¥257.00 on Monday, and also improved against the West German D-mark and the Swiss franc.

The Sterling trade-weighted index on the basis of the Washington Agreement, as calculated by the Bank of England, was unchanged throughout at 63.4. In terms of the dollar, sterling declined to 111 points on the day.

The pound touched a high point of \$1,790.5117, a fall of 11 points on the day.

The pound touched a high point of \$1,790.5117 during early trading, and the authorities may have been taken in some foreign currency market speculation. There may also have been light support for sterling in the afternoon however as it touched a low level of \$1,789.9117.

Forward sterling remained firm, with the three-month premium against the dollar widening slightly to 0.83 cent from 0.73 cent.

Elsewhere, improvements of 1 cent occurred in NZ dollars, Swiss francs, Australian dollars and Canadian dollars. The Australian dollar fell 1/2 cent to A\$1.70, but the New Zealand dollar rose 1/2 cent to NZ\$1.35.

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GOLD MARKET	
Oct. 11	Oct. 10
Gold Bullion (in fine ounce)	1574.1574-1574
Average 1500	1574.1574-1574
Opening	1574.1574-1574
Close	1574.1574-1574
High	1574.1574-1574
Low	1574.1574-1574
Change	1574.1574-1574
Settlement	1574.1574-1574
Gold Coins	1574.1574-1574
Gold Bars	1574.1574-1574
Gold Jewelry	1574.1574-1574
Gold Bullion (in fine ounce)	1574.1574-1574
Average 1500	1574.1574-1574
Opening	1574.1574-1574
Close	1574.1574-1574
High	1574.1574-1574
Low	1574.1574-1574
Change	1574.1574-1574
Settlement	1574.1574-1574
Gold Coins	1574.1574-1574
Gold Bars	1574.1574-1574
Gold Jewelry	1574.1574-1574

CURRENCY RATES	
Oct. 11	Oct. 10
London	63.4
Paris	166.65
Brussels	166.65
Frankfurt	166.65
Amsterdam	166.65
Geneva	166.65
Zurich	166.65
Stockholm	166.65
Copenhagen	166.65
Oslo	166.65
Vienna	166.65
Milan	166.65
Bombay	166.65
Calcutta	166.65
Rangoon	166.65
Singapore	166.65
Manila	166.65
Batavia	166.65
Yokohama	166.65
Tokyo	166.65
Seoul	166.65
Beijing	166.65
Hong Kong	166.65
Singapore	166.65
Manila	166.65
Batavia	166.65
Yokohama	166.65
Tokyo	166.65
Seoul	166.65
Beijing	166.65
Hong Kong	166.65

EXCHANGE CROSS-RATES	
Oct. 11	Oct. 10
London	63.4
Paris	166.65
Brussels	166.65
Frankfurt	166.65
Amsterdam	166.65
Geneva	166.65
Zurich	166.65
Stockholm	166.65
Copenhagen	166.65
Oslo	166.65
Vienna	166.65
Milan	166.65
Bombay	166.65
Calcutta	166.65
Rangoon	166.65
Singapore	166.65
Manila	166.65
Batavia	166.65
Yokohama	166.65
Tokyo	166.65
Seoul	166.65
Beijing	166.65
Hong Kong	166.65

EURO-CURRENCY INTEREST RATES	
Oct. 11	Oct. 10
London	63.4
Paris	166.65
Brussels	166.65
Frankfurt	166.65
Amsterdam	166.65
Geneva	166.65
Zurich	166.65
Stockholm	166.65
Copenhagen	166.65
Oslo	166.65
Vienna	166.65
Milan	166.65
Bombay	166.65
Calcutta	166.65
Rangoon	166.65
Singapore	166.65
Manila	166.65
Batavia	166.65
Yokohama	166.65
Tokyo	166.65
Seoul	166.65
Beijing	166.65
Hong Kong	166.65

FORWARD RATES	
Oct. 11	Oct. 10
London	63.4
Paris	166.65
Brussels	166.65
Frankfurt	166.65
Amsterdam	166.65
Geneva	166.65
Zurich	166.65
Stockholm	166.65
Copenhagen	166.65
Oslo	166.65
Vienna	166.65
Milan	166.65
Bombay	166.65
Calcutta	166.65
Rangoon	166.65
Singapore	166.65
Manila	166.65
Batavia	166.65
Yokohama	166.65
Tokyo	166.65
Seoul	166.65
Beijing	166.65
Hong Kong	166.65

GERMANY	
Oct. 11	Oct. 10
Aluminum	166.65
Steel	166.65
Chemicals	166.65
Automobiles	166.65
Textiles	166.65
Food	166.65
Pharmaceuticals	166.65
Electronics	166.65
Transportation	166.65
Construction	166.65
Real Estate	166.65
Energy	166.65
Services	166.65
Government	166.65
Non-Profit	166.65
Financial	166.65
Insurance	166.65
Healthcare	166.65
Education	166.65
Religion	166.65
Arts and Culture	166.65
Media	166.65
Telecommunications	166.65
Utilities	166.65
Transportation	166.65
Real Estate	166.65
Energy	166.65
Services	166.65
Government	166.65
Non-Profit	166.65
Financial	166.65
Insurance	166.65
Healthcare	166.65
Education	166.65
Religion	166.65
Arts and Culture	166.65
Media	166.65
Telecommunications	166.65
Utilities	166.65

TOKYO	
Oct. 11	Oct. 10
Aluminum	166.65
Steel	166.65
Chemicals	166.65
Automobiles	166.65
Textiles	166.65
Food	166.65
Pharmaceuticals	166.65
Electronics	166.65
Transportation	166.65
Construction	166.65
Real Estate	166.65
Energy	166.65
Services	166.65
Government	166.65
Non-Profit	166.65
Financial	166.65
Insurance	166.65
Healthcare	166.65
Education	166.65
Religion	166.65
Arts and Culture	166.65
Media	166.65
Telecommunications	166.65
Utilities	166.65
Transportation	166.65
Real Estate	166.65
Energy	166.65
Services	166.65
Government	166.65
Non-Profit	166.65
Financial	166.65
Insurance	166.65
Healthcare	166.65
Education	166.65
Religion	166.65
Arts and Culture	166.65
Media	166.65
Telecommunications	166.65
Utilities	166.65

AUSTRALIA	
Oct. 11	Oct. 10
Aluminum	166.65
Steel	166.65
Chemicals	166.65
Automobiles	166.65
Textiles	166.65
Food	166.65
Pharmaceuticals	166.65
Electronics	166.65
Transportation	166.65
Construction	166.65
Real Estate	166.65
Energy	166.65
Services	166.65
Government	166.65
Non-Profit	166.65
Financial	166.65
Insurance	166.65
Healthcare	166.65
Education	166.65
Religion	166.65
Arts and Culture	166.65
Media	166.65
Telecommunications	166.65
Utilities	166.65
Transportation	166.65
Real Estate	166.65
Energy	166.65
Services	166.65
Government	166.65
Non-Profit	166.65
Financial	166.65
Insurance	166.65
Healthcare	166.65
Education	166.65
Religion	166.65
Arts and Culture	166.65
Media	166.65
Telecommunications	166.65
Utilities	166.65

BRAZIL	
Oct. 11	Oct. 10
Aluminum	166.65
Steel	166.65
Chemicals	166.65
Automobiles	166.65
Textiles	166.65
Food	166.65
Pharmaceuticals	166.65
Electronics	166.65
Transportation	166.65
Construction	166.65
Real Estate	166.65
Energy	166.65
Services	166.65
Government	166.65
Non-Profit	166.65
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Insurance	166.65
Healthcare	166.65
Education	166.65
Religion	166.65
Arts and Culture	166.65
Media	166.65
Telecommunications	166.65
Utilities	166.65
Transportation	166.65
Real Estate	166.65
Energy	166.65
Services	166.65
Government	166.65
Non-Profit	166.65
Financial	166.65
Insurance	166.65
Healthcare	166.65
Education	166.65
Religion	166.65
Arts and Culture	166.65
Media	166.65
Telecommunications	166.65
Utilities	166.65

JOHANNESBURG	
Oct. 11	Oct. 10
Aluminum	166.65
Steel	166.65
Chemicals	166.65
Automobiles	166.65
Textiles	166.65
Food	166.65
Pharmaceuticals	166.65
Electronics	166.65
Transportation	166.65
Construction	166.65
Real Estate	166.65
Energy	166.65
Services	166.65
Government	166.65
Non-Profit	166.65
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Telecommunications	166.65
Utilities	166.65
Transportation	166.65
Real Estate	166.65
Energy	166.65
Services	166.65
Government	166.65
Non-Profit	166.65
Financial	166.65
Insurance	166.65
Healthcare	166.65
Education	166.65
Religion	166.65
Arts and Culture	166.65
Media	166.65
Telecommunications	166.65
Utilities	166.65

Indices

NEW YORK - DOW JONES	
Oct. 11	Oct. 10
Industrial	2823.95
Transportation	2823.95
Utilities	2823.95
Trading vol.	2823.95
Ind. div. yield %	2823.95
STANDARD AND POORS	2823.95
Ind. div. yield %	2823.95
Ind. P/R Ratio	2823.95
Long Govt. Bond yield	2823.95

N.Y.S.E. ALL COMMON

Rises and Falls	
Oct. 11	Oct. 10
Industrial	432.03
Transportation	432.03
Utilities	432.03
Trading vol.	432.03
Ind. div. yield %	432.03

OVERSEAS SHARE INFORMATION

NEW YORK	
Stock	Oct. 11
Aluminum	166.65
Steel	166.65

FARMING AND RAW MATERIALS

Oilseeds stocks rise forecast

World production of the nine oilseeds is expected to be 19.1m. tonnes in 1977/78, compared with 18.7m. tonnes in 1976/77, according to the FAO's weekly publication.

British Potato Board will have to change—Silkin

THE POTATO Marketing Board will have to be constitutionally amended, and the U.K.'s ban on Community imports lifted at the end of the year, Mr. John Silkin, the U.K. Minister of Agriculture, conceded here today.

Sugar fears depress world price

FRESH FEARS of a flood of sugar on to the export market before the new International Sugar Agreement takes effect on January 1 again depressed futures prices on the London (terminal) market yesterday.

Spanish citrus Farmers up in arms again

SELDOM HAS Spanish farming conflict in Spain's north, the "war of the asparagus," which was waged slightly earlier. The potato farmers sent their asparagus comrades a message of solidarity.

Nigeria sales report depresses cocoa

REPORTS THAT Nigeria was offering current crop cocoa supplies brought an easier tone on the London terminal market yesterday. The March position fell 250 to £2,167 a tonne, while the September position fell by £50 to £2,477.5.

U.S. stockpile sales rumour lowers tin

TIN PRICES fell sharply on the London Metal Exchange yesterday following rumours that U.S. Congressional approval for the sale of surplus tin supply may be obtained quicker than expected.

South Atlantic fishery meeting

AT A meeting of the South Atlantic Fisheries Committee held at the Falkland Islands Office yesterday, representatives of the British fishing industry, retailers and consumer groups discussed the potentially rich prospects of fishing around British territories in the South Atlantic.

Freak frosts

In April, nature was the great frost destroyer. In 1977, it was the "war of the potato." Farmers demanded the resignation of senior officials in the administration who had ignored persistent warnings.

Latest salvo

The latest salvo, timed to hit the owners of citrus plantations over a barrel, comes from the orange pickers' union. The pickers are demanding £8.33 for a five-hour day and, if two hours' overtime is worked, a minimum that would bring the daily total to about £15.

Commodity Market Reports and Prices

Table with columns for Commodity, Unit, and Price. Includes items like Tin, Copper, Zinc, Lead, Silver, Gold, and various oils.

Grains

Table with columns for Grain, Unit, and Price. Includes Wheat, Barley, Oats, and other grains.

Meat/Vegetables

Table with columns for Meat/Vegetable, Unit, and Price. Includes Beef, Pork, Lamb, Chicken, and various vegetables.

U.S. Markets

Table with columns for Market, Unit, and Price. Includes Metals, Grains, and other U.S. market data.

Financial Times Survey

LONDON METAL EXCHANGE

Table with columns for Metal, Unit, and Price. Includes Tin, Copper, Zinc, Lead, Silver, and Gold.

Grains

Table with columns for Grain, Unit, and Price. Includes Wheat, Barley, Oats, and other grains.

Meat/Vegetables

Table with columns for Meat/Vegetable, Unit, and Price. Includes Beef, Pork, Lamb, Chicken, and various vegetables.

U.S. Markets

Table with columns for Market, Unit, and Price. Includes Metals, Grains, and other U.S. market data.

Financial Times Europe's Business Newspaper

COTTON

Table with columns for Cotton, Unit, and Price. Includes various cotton grades and prices.

COFFEE

Table with columns for Coffee, Unit, and Price. Includes various coffee grades and prices.

REUTERS

Table with columns for Market, Unit, and Price. Includes various market data from Reuters.

STOCK EXCHANGE REPORT

Partial recovery in Gilts leads general market rally
Share index ends 2.7 up at 511.8 after a quiet trade

Account Dealing Deles
"First Declara- Last Account Dealings Deals Days Day Oct. 13 Oct. 14 Oct. 23 Oct. 27 Oct. 28 Nov. 3 Oct. 31 Nov. 10 Nov. 11 Nov. 23

Speculative activity in potential and actual bid stocks featured a quiet equity trade yesterday with leading shares generally hardening in sympathy with a promising rally in British Funds after the recent shake-out. The technical conditions were illustrated in official markings of 5.672 compared with the recent daily average of about 6.800. The Funds opened steadily to firm in the absence of further selling and closed at the day's best with gains of 1.5, although prices in the late drive in the movement and the FT 30-share index, down 0.4 at 10 a.m. and up 3 points at 3 p.m. was finally at 511.8. Price changes in FT-quoted industrials were mixed with rises in a slight majority over falls and the broad-based FT-Actuaries index was up 1.9 to 134.1.

Recovery in Gilts
British Funds staged a good partial recovery following the sharp setback seen on Monday. In a reasonable turnover, buyers had the upper hand throughout and widespread gains to 13 under-stated the extent of the rally because quotations in the previous day's late trade had receded by 2 more on the list prices—which showed falls to 23. Buyers were encouraged by further evidence of the continuing slowdown in the rate of inflation provided by the latest Wholesale Price Indexes. Short-dated stocks benefited from the increasing likelihood of a further cut in Minimum Lending Rate on Friday, with money market rates yesterday indicating a reduction of 1/10 to 3 per cent, but made only modest progress with risks generally limited to 1. The Variable Treasury 1981, up 1 against the trend on Monday on the announcement of an encouraging statement accompanying the company's

application for European quotation. Dreamland were active and 3 better at 49p, after 31p, on continuing bid speculation. While Farnell Electronics were finally up at 234p, after 226p, following the interim figures. EMI closed 4 better at 218p. Other firm spots included BSR, up 3 more to 118p, and Rascal Electronics, 10 to the good at 232p. Bowthorpe, however, declined 2 to 35p despite the increased first-half profits. Most of the day's interest in Shares centred on secondary issues. Customagie encountered support and put on 31 to 16p.



while Lee Cooper were also noteworthy for a gain of 7 at 127p. Lineroff Kilgour, 60p, and A. Paradise, 26p, rose 4 apiece. A. Preedy improved 5 to 60p in the restricted market. Deterhams closed unaltered at 107p in front of to-morrow's results. Gains just about predominated in the Engineering sector which had above-average features in Pepler-Hattersley, 202p, and took Dover Engineering 3 higher to 37p. Marshalls Universal firmed 5 to 180p in a restricted market, while bid speculation prompted a gain of 7 to 71p in BFT Group. Satisfactory interim results caused Silenitac, 66p, and Barr and Wallace, A. 61p, to rise 4 apiece, but Morgan Crucible fell that amount to 119p following abandonment of its carbon fibre venture. De La Rue rose 6 to 634p and gains of 4 were recorded in Hay's Wroth, 165p, with Hattersley, 116p, and Research, 73p. Leyland improved a penny more to 71p on the encouraging interim statement, while Newey Group rose 2 further to 71p in response to news that William Pyrie Werke had acquired an 18.7 per cent stake in the company. E. Fogarty picked up 2 more to 108p in front of today's interim results and nationally, Tube Investments, at 284p, retained an early rise of 4. Swan Hunter reacted after the preliminary results, which covered an 18-month period, and ended with a loss of 3 at 147p, after occasional firm counter. Jones at 144p.

Woodhead advanced 6 to 225p as bid speculation revived, while Appleyard, 80p, and York Trailer, 65p, put on 3 and 5 respectively. Lucas Industries, at 304p, regained 4 of the previous day's loss of 7. Crane Fruehauf, currently subject to a 6 1/2 share cash offer from Fruehauf Corporation, eased 2 to 84p following Press comment on the interim figures which accompanied the formal bid rejection. Among Property and kindred issues, BPA Group improved 3 to 41 in response to the results and Collett Dickinson gained 2 to 62p on the increased dividend and profits.

Properties revive
Encouraged by the strong possibility of another cut in Minimum Lending Rate this week, Properties went ahead from the outset. The larger gains were confined to secondary issues among which Albion London rose to 310p before closing a net 6 higher at 208p and Estates Property, on revived speculative interest, gained 5 to a peak for the year of 72p. Alton at 187p highs were put on 2 to 235p, after 50p, confirmed reports of a West End property sale inspired support of 10. The shares, of which Town and City, 3 harder at 13p, followed, while Scottish Metropolitan were a shade firmer at 88p following the increased revenue and proposed scrip issue. Estates included Bron Property Holdings, 3 up to 33p, Regional A picked up 2 to 38p to the accompaniment of renewed bid hopes. Of the leaders, NEPC retained a penny to 219p. Percy Bilton were among the few dull spots at 185p, down 3. Oils remained quiet but it was the undertone was steady and it was only in the late trade that British Petroleum issues drifted easier in sympathy with incoming Wall Street advices. The Ordinary shed 1 to 902p and the partly-paid 5 to 375p. Meanwhile, Shell rallied 2 to 502p, but investment currency influences took off Royal Dutch at 240p. Ordinary staged a revival at 260p, up 6, and Burnmh hardened the turn to 62p, while occasional North Sea speculation developed in Charterhall Finance, which gained 2 to 180p, after 12p. Berry Wiggins began firmly but after rising to 35p, eventually reverted to the overnight level of 34p.

Lonrho were notably better at 86p, up 3, on fresh speculation about a possible reverse take-over by House of Fraser. Harrolds and Crossfield improved 15 to 375p, but S. W. Berford lost 5 more at 202p. Investment Trusts adopted an set pattern. Edinburgh and Dundee reacted 31 to 350p awaiting first half developments. Financials, Authority Investments, at 284p, recouped the previous day's loss of 21 which followed the first-half loss. Akroyd and Smithers, a firm market of late participation in the active, gilt-edged market shed 8 to 270p. Hunting Gibson featured Ship-shipping with a jump of 45 to 270p on small speculative support, in a restricted market. Among Textiles, U.U. edged forward 1 to 6p on the return to profitability, while S. Lyles, moved up 4 to 74p reflecting the substantially improved earnings. Tobacco was in better fettle. BAT Industries Deferred rose 4 to 222p and gains of 14 were seen in both Imps, 84p, and Rothmans International, 84p. Plantations provided two outpourings in Suparna investments, 8 better at 63p, following the bid from Warren Plantations and Assam Frontier, 28 higher at 375p on fresh speculation about the outcome of the current offer from Wrengeat.

FINANCIAL TIMES STOCK INDEXES
Table with columns for various stock indices and their values for Oct 11, Oct 10, Oct 7, Oct 6, Oct 5, Oct 4.

HIGHS AND LOWS
Table with columns for High, Low, and S.E. ACTV for various stock categories.

OPTIONS TRADED
Table with columns for DEALING DATES, Counties, Debenhams, etc.

NEW HIGHS AND LOWS FOR 1977
Table listing new highs and lows for various stocks in 1977.

RISES AND FALLS YESTERDAY
Table showing rises and falls in various stock categories from the previous day.

RECENT ISSUES

EQUITIES
Table listing recent equity issues with columns for Issue, Amount, Price, etc.

FIXED INTEREST STOCKS
Table listing fixed interest stocks with columns for Issue, Amount, Price, etc.

"RIGHTS" OFFERS
Table listing rights offers with columns for Issue, Amount, Price, etc.

ACTIVE STOCKS
Table listing active stocks with columns for Stock, Denomination, Closing price, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS
Table showing equity groups and sub-sections with columns for Index No., Day's Change, etc.

FIXED INTEREST PRICE INDICES
Table showing fixed interest price indices with columns for Index No., Day's Change, etc.

Advertisement for Financial Times with text: 'THOSE REQUIRING THE FT DAILY, PLEASE SIGN BELOW: Dare you circulate this? If you did, you'd probably be amazed how many people would want the FT—and quite rightly. Shouldn't your departmental heads and executives be as well-informed as you are? Make sure they all have their own copies of the FT—every day. In these competitive times everyone in business needs the FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER'

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of authorised unit trusts including Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgrs. Ltd., and various international and domestic funds.

Table of authorised unit trusts including Royal Bank of Canada, Royal Bank of Scotland, and various international and domestic funds.

Table of offshore and overseas funds including Fidelity Investments, Templeton, and various international and domestic funds.

Table of offshore and overseas funds including King & Shazson, and various international and domestic funds.

Table of base lending rates for various banks including Bank of America, Citibank, and others.

Table of unit trusts including Midland Bank, National and Commercial, and various international and domestic funds.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond products from companies like Abbey Life, Equity & Law Life, and others.

Table of unit trusts including National and Commercial, and various international and domestic funds.

Advertisement for Holiday Inn Hotels, featuring the text 'HOLIDAY INN HOTELS' and 'MOVENPICK'.

Advertisement for CLIVE INVESTMENTS LIMITED, featuring the text 'INSURANCE BASE RATES' and 'CORAL INDEX 513-57'.

Table of hotel stocks including North H. F. Jop, Queen's Hotel, and others with columns for stock price, high, low, and change.

INDUSTRIALS (Misc.)

Large table of industrial stocks including A.A.H., AG Research, and various other companies with detailed price and change information.

ENGINEERING—Continued

Table of engineering stocks including Girders, GKN, and other industrial firms.

DRAPERY AND STORES—Cont.

Table of drapery and stores stocks including H. J. Jones, H. J. Jones, and others.

ELECTRICAL AND RADIO

Table of electrical and radio stocks including A. B. Electronics, A. B. Electronics, and others.

FT SHARE INFORMATION SERVICE

BUILDING INDUSTRY—Cont.

Table of building industry stocks including Balfour Beatty, Balfour Beatty, and others.

AMERICANS—Continued

Table of American stocks including American Express, American Express, and others.

CHRISTIE & CO. logo and text: "Specialists in the sale of privately owned businesses and companies."

BRITISH FUNDS

Table of British funds including various investment funds with columns for stock price and yield.

BANKS AND HIRE PURCHASE

Table of banks and hire purchase stocks including various financial institutions.

CHEMICALS, PLASTICS

Table of chemicals and plastics stocks including various industrial firms.

ENGINEERING MACHINE TOOLS

Table of engineering machine tools stocks including various industrial firms.

FOOD, GROCERIES, ETC.

Table of food, groceries, and other stocks including various consumer goods firms.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit stocks including various beverage companies.

CINEMAS, THEATRES AND TV

Table of cinema, theatre, and TV stocks including various entertainment firms.

COMMONWEALTH & AFRICAN LOANS

Table of commonwealth and African loans including various international investment funds.

AMERICANS

Table of American stocks including various US-based companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber, and roads stocks including various construction firms.

DRAPERY AND STORES

Table of drapery and stores stocks including various retail firms.

HOTELS AND CATERERS

Table of hotels and caterers stocks including various hospitality firms.

Handwritten text in a box at the bottom of the page.

Relative Strength chart showing market performance indicators.

Factories and Warehouses advertisement with contact information.

Hostile response to Europe steel offer

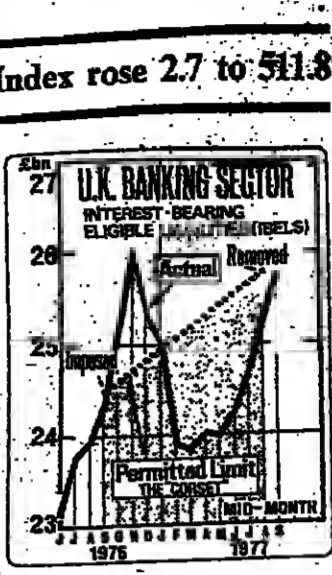
BY STEWART FLEMING THE PROPOSAL by Eurofer, the club of European steelmakers...

NEW YORK, Oct. 11. U.S. Mr. Eshiro-Saito president of Nippon Steel said...

restraint is an instrument to achieve an objective. But we are not ready to discuss instruments until we have discussed objectives.

THE LEX COLUMN Money supply back in the limelight

The gilt-edged market staged a modest recovery yesterday, with gains at the long end of the market of up to 1%.



So far the scheme has open to all covers, but pools currently being discussed would limit access to scheme.

Iran charges Tate & Lyle officials with dishonesty

BY ANDREW WHITLEY TWO SENIOR executives of Tate and Lyle are to be charged here with forgery and dishonesty...

Heavy fall in public borrowing

BY PETER RIDDELL, ECONOMICS CORRESPONDENT BORROWING by central Government in the first half of the financial year was running at well under half the level forecast in the Budget.

Mr. Denis Healey, Chancellor of the Exchequer, will be urged by the CBI next week not to give any stimulus to the economy until after the progress of the present wages policy begins to emerge in November and December.

United Biscuits There is still little sign of a major rights issue revival, but the latest in a sporadic succession of issues comes from United Biscuits...

Export battle City merchant banks and the clearing banks are currently putting up a spirited fight to ensure that they do not lose their grip on the new and lucrative ECGD dollar buyer credit market.

Fairey Not all Fairey stories have happy endings and yesterday's news from the embattled engineering group had an expected bitter edge.

Since the scheme was established last year less than a dozen buyer credits worth around 2400m. have been arranged.

British Oxygen strike hits steel

BY NICK GARNETT, LABOUR STAFF THE STRIKE by manual workers in the British Oxygen Company's gases division made an immediate impact on industry yesterday...

U.K. suffers setback in Saudi deal

BY JOHN LLOYD BRITISH HOPES of securing part of the world's largest telecommunications contract have suffered a setback.

Table with financial data: Consolidated funds, Revenue, Expenditure, Deficit net from National Loans Fund, etc.

Money

probable in the absence of official action. A fall of this size, following last week's 1 per cent. reduction, would intensify the pressure on the clearing banks to reduce their lending rates.

Fairey

threat which it appeared might be lifted after the Receiver was called. Fairey's Belgian company, whose troubles led recently to an application for a concordat (scheme of arrangement) also does substantial work on the F18 European military aircraft project...

Weather forecast table for various regions including U.K., Ireland, and Europe.

Business Centres table listing cities and their corresponding stock market indices.

Continued from Page 1 Money... Outlook: Showers chiefly to the North and sunny intervals, but cloud and more rain reach the South West during Thursday and early spreading North East.

Advertisement for Walker Son & Packman, Chartered Surveyors, located at 3/6 Trump Street, London EC2V 8DD.